IN THE NAME OF ALLAH, THE COMPASSIONATE

THE MERCIFUL

In 1947 Pakistan came into existance as a country, following the popular liberating struggles in the Indian continent against the eastern Indian company anb the British petroliume. These struggles had already brought home the need for the establishment of such a country, to protect the interests of the muslims on the basis of an Islamic culture the idea propagated and expanded by great personalities such as Allameh Iqbal Lahoori.

After the death of the Pakistani leader, Mohammad Ali Jinnah, that country was overwhelmed by political struggles. In 1970, General Yahia Khan prepared the grounds for public elections, as a result of which "Zolfaqar Ali Buhto" came to power in Western Pakistan, and "Mojeeb-ol-rahman" was elected in the Eastern half of that country. When the Indo-Pakistan war broke out (1971) and Bangladesh gained independence, public pressure compelled Yahia Khan to resigne in favor of Buhto.

The Pakistani constitution was approved in 1972, and Buhto resigned as president, but took charge as that country's prime minister. His trickery, during elections triggered rebellion in that country, during which people demanded the Islamization of government which in turn brought about the successfull military coup-attempt headed by General Zia-ol-Haq.

97 percent of the 80 million Pakistanis are muslems. Its economy is based on agriculture, and 60 percent of the Pakistani work force is made up of farmers. Industrial workers only comprise 16 percent of the total workforce , who are mainly employed in such Industrial sectors as Cotton textiles, food processing, Tobacco, engineering, chemical industry and natural gas, etc...

Documents contained in this book are limited to those appeared in 1977-1979 basically analysing economic, political, security, and foreign relations of Zia government. Some of them also describe the meetings between the heads of state and the party leaders, between the active groups and American embassy employees in Pakistan and other U.S. officials. These documents, therefore, include Pakistani related issues mainly economic, foreign relations, social situation, and thr internal policy of the Zia government.

Economic issues

The unhealthy Pakistani economy dependent on foriegn loans, the role and the nature of countries providing aids to Pakistan, and the 1979-80 budget deficit are the main topics of these documents. In this field, Pakistan is confronted with a number of problems, the most important of which is the great bugdet deficit resulting from subsidized consumptive goods, heavy military budget, and the expansion of governmental bureaucratic structre. This deficit has in turn strengthened Pakistani economy's dependence on foreign borrowings.

The application of a mixture of Islamic and Capitalistic solutios

under the so-called Islamization of Pakistani economy will not be abl to improve the unhealthy economy prevailing in that country.

The pakistani economic planners' lack of faith and knowledge in th economic field, the rejection and non-interference of revolutionary muslims, cultural and religious dependence of pakistan on the west ar major impediments in bringing about a healthy economy in that countr The government is also trying to attract the popular co-operation fo the elimination of this budget deficit by initiating economic progra under the pretext of Islamizing Pakistani economy. Zia's government is,of course,not the only factor responsible for the present economi condition, but presentation of wrong approaches will not save that country's economy which is dependent on foreign aids either. IN othe words, a western oriented culture and ideology is unable to produce a independent and healthy economy.

Foreign policy: The specific geographic location of pakistan which i neighboured by China,India,Afghanistan and Iran; and its relationshi with Russia,India and Indian ocean countries,have provided its presen relationship between Pakistan and the super-powers and its adjacen countries are also studied to the Pakistan's approach to the U.S. an Russia contain followin subject:

Relations with the U.S.:Ancient indo-Pakistani conflict and the speci al relationship between India and Russia have moved Pakistan towards America. the Russian aggression in Afghanistan and the and the suppor it has rendered for its puppet regime in Kabul, and the orientation o Pakistani leadership have been the factors bringing about the close relation that country and America.

The U.S. presence in poutical and economic fields of Pakistan help maintain the U.S.interests in that country and in the whole region.th expansion of nuclear weaponry in Pakistan initiated by bunto and purs ued by Zia's government has apparently been the major obstacle in th way of this good relationship. the U.S.opposition to the Pakistani nuclear policy to prevent the expansion of such weaponry,was exploite in evading the sale of military weapons and equipments and the extens ion of further Quds to that country. But other factors such as, America's fear of Pakistan's probable inability to recoup loans and the price of equipments of its worsening economic condition, its atte mpt to interfere more directly in the internal affairs of Pakistan,an the possibility of incidents unpredictable and uncontrollable like those in Iran, are the main reasons why the U.S. refrains from extend ing more loans to Pakistan.

Pakistanis always reasoned that a nuclear power enhanced the regio nal stability, but never expressed their need for such weapory in explicit terms. they always justified their pursuit of building up their-own nuclear installations by calling it the peaceful utilizatio of Atomic energy where-as they have been trying to compete with the Indian aggressive capability.France as a contractor to Pakistani nuclear installations stopped its committments due to the pressure exerted by the U.S. thus, some of these documents are related to French and American official discussions with regards to preventing the continuation of work on those nuclear complexes. According to the same documents,Pakistan had managed to proceed with its nuclear work by purchasing Italian equipments.

It had also managed to purchase plutonium enriching equipments from a region called "KAHOTA".

in meetings with Americans, Pakistani officials always insisted on obtaining advanced, strategic arms that could enable them to neutrauze Indian aggressions. the Russian aggression in Afghanistan and the establishment of a puppet regime in Kubul intensified these activities As a whole India and the policies adopted by various Indian government have been the strongest determining factors shaping Pakistan's foreign policy, especially in its pursuit of weaponry. the main reason for Pakistan's insistance in acquiring security guarantees from the U.S. derives from the bilateral agreement signed by the U.S. and Pakistan. through this agreement, the U.S. was committed to react militarily a gainst a communist or a pro-communist country which launched aggressive moves a gainst Pakistan. Pakistan maintained that the agreement also applied to the possible Indian aggression, but Americans were of the opinion that the 1959 bilateral agreement did not place any responsibility on the U.S. with regard to the Indo-Pakistani conflict.

relations with Russia: . Russian military and economic aids to India which is regarded as the major enemy of Pakistan, moved Pakistan towards the U.S. But its compromise with Russia was pursued by Zia government to alarm America. Russian aggression in Afghanistan and the flight of Afghan refugees into Pakistan have hightened the Pakistani fear of Russia's tendency to reach the Indian ocean through Pakistan. thus Pakistan was trying to obtain security guarantees from the U.S. against the Russian and her allies aggressions on the one hand and to send Pakistani delegations including Aqa shahi to Russia which succeeded signing a contract for the completion of Karachi steell-mill,and a zzo million dollar loan for the same project,on the other. Pakistanese believe that by giving a pasitive response, Russia has two objectives: (A) to reduce Pakistan's tensions with regards to its intentions in Afghanistan, and (B) to decreace the rightist tendencies of southwest Asian countries such as India (during de'sai government), Pakistan, Bangladesh and Sri-lanka.

The Issue of Afghan refugees in Pakistan has also confronfed this country with Afghanistan or in fact with russia. International organizations could, to same extent, solve economic problems brought about by these refugees, meanwhile Pakistan exploited varios Afghan grougs which had established their political offices in that country. despite different Pakistani officials' oppositions with respect to collaborating with Afghans to harass or even overthrow the Kabul regime,Pakistan acted as a channel through which Saudi financial aids were rendered to Afghans and of course, benefited itself too.

Internal politics and security :the ambiguous internal politics of Pakistan is the result of the role played by conflicting national elements. A short look at the Pakistani social condition clarifies complexities that exist in this respect.

with a 17% literacy rate, Pakistani nation is one of oppressed sunni muslem. this nation's tendency towards Islam-although traditional Islam-has an active role in political organizations and groups, and religious beliefs are the basis for their formation, and are headed by people known as religious.

Pakistani rulers and statesmen have never neglected this national tendency, By preteuding that they are willing to expand islamic principles to include state affairs such as "ZAKAT" and the establishment of interest-free banks, and other reformations they have tried to harmonize themselves with the national belief,although in appearance this pretention and the relationship between government leaders (especially Zia) and the religious parties prevents the growth of a correct Islamic thought and dynamism. paying attention to the customs and the appearances is not the charachteristics of sunni brothers only, since the shiites are not immune to it either.Being one major reason for the increase in shi'ite-sunni conflicts,this has in turn paved the way for colonizers to divide and conguer the muslems.
other than religious specifications, the tribal and clan structure in Pakistan and their alliance with different internal and external political currents has intensified the ambiguity in internal politics of Pakistan.
with its variety in tribes, the Russian in fluence, and the activities of Buhto's popular party even after execution, Afghan refugees,and the rule of khans over common people have made the Pakistani Baluchistan province, forexample, one of the most vulnerable parts of this country

Military coup d' etate headed by General Zia,and the formation of a Military government created numerous. Despite Zia's promise to hold free elections, no election was held at all.this election-postponement has made Zia infamous in the popular minds, which in turn has had his reaction in response to the society,parties and the press,militarizing government policies more than the past.
parties opposing or supporting the regime, party conflicts, Buhto and his execution, Buhto popular party's activities and the role played by his wife and his daughter, the role of the press and the mass mediai student political activities and the government reactions, economic, and internal political problems have all confronted this country with crisis and instability. And the documents contained in the book explain the above mentioned factors.

" MUSLEM STUDENTS FOLLOWING THE IMAM'S LINE. "

PAKISTAN

See reference map VIII

LAND

Area: 803,000 km² (includes Pakistani part of Jammu-Kashmir); 40% arable, including 24% cultivated; 23% unsuitable for cultivation; 34% unreported, probably mostly waste; 3% forested

Land boundaries: 5,900 km

WATER

Limits of territorial waters (claimed): 12 nm (fishing 200 nm; plus right to establish 100 nm conservation zones beyond territorial sea); 200 nm exclusive economic zone

Coastline: 1,046 km

PEOPLE

Population: 80,171,000, excluding Junagadh, Manavadar, Gilgit, Baltistan, and the disputed area of Jammu-Kashmir, (July 1979), average annual growth rate 3.0% (current)

Nationality: noun—Pakistani(s); adjective—Pakistani

Religion: 97% Muslim, 3% other

Language: official, Urdu; total spoken languages—7% Urdu, 64% Punjabi, 12% Sindhi, 8% Pushtu, 9% other; English is lingua franca

Literacy: about 17%

Labor force: 22 million (1978 est.); 60% agriculture, 16% industry, 7% commerce, 15% service, 2% unemployed

Organized labor: 5% of labor force

GOVERNMENT

Legal name: Islamic Republic of Pakistan

Type: parliamentary, federal republic; military seized power 5 July 1977 and temporarily suspended some constitutional provisions

Capital: Islamabad

Political subdivisions: 4 provinces—Punjab, Sind, Baluchistan, and North-West Frontier—with the capital territory of Islamabad and certain tribal areas centrally administered; Pakistan claims that Azad Kashmir is independent pending a settlement of the dispute with India, but it is in fact under Pakistani control

Legal system: based on English common law, accepts compulsory ICJ jurisdiction, with reservations; president Zia's government has established Islamic Sharia courts paralleling the secular courts and has introduced Koranic punishments for criminal offenses

National holiday: Pakistan Day, 23 March

Government leader: President and Chief Martial Law Administrator Gen. Mohammad Zia-ul-Haq

Suffrage: universal from age 18

Elections: opposition agitation against rigging of elections in March 1977 eventually led to military coup; military promised to hold new national and provincial assembly elections in October 1977 but later postponed them; now promised for 17 November 1979

Political parties and leaders: Pakistan People's Party (PPP), pro-Bhutto wing, Mrs. Z. A. Bhutto, moderate wing, Maulana Kauser Niazi; Tehrik-i-Istiqlal, Asghar Khan; National Democratic Party (NDP), Sherbaz Mazari (formed in 1975 by members of outlawed National Awami Party (NAP) of Abdul Wali Khan, who is de facto NDP leader); Jamiat-ul-Ulema-i-Pakistan (JUP), Maulana Shah Ahmed Noorani; Pakistan National Alliance (PNA), a coalition of six parties including Pakistan Muslim League (PML)—Pir of Pagaro group; Jamaat-i-Islami (JI), Tofail Mohammed; Jamiat-ul-Ulema-i-Islam (JUI), Mufti Mahmud

Communists: party membership very small; sympathizers estimated at several thousand

Other political or pressure groups: military remains strong political force

Member of: ADB, Colombo Plan, FAO, GATT, G-77, IAEA, IBRD, ICAC, ICAO, IDA, IFC, IHO, ILO, IMCO, IMF, ITU, IWC—International Wheat Council, RCD, U.N. UNESCO, UPU, WHO, WMO, WSG, WTO

ECONOMY

GNP: $15.0 billion (FY78 est.), $200 per capita; average annual real growth, 4.0% (1970-78)

Agriculture: extensive irrigation; main crops—wheat, rice, and cotton; foodgrain shortage, 2.3 million tons imported in FY79

Fishing: catch 197,550 metric tons (1978 est.)

Major industries: cotton textiles, food processing, tobacco, engineering, chemicals, natural gas

Electric power: 3,495,000 kW capacity (1978); 15.9 billion kWh produced (1978), 205 kWh per capita

Exports: $1,342 million (f.o.b., 1978); cotton (raw and manufactured), rice

Imports: $2,738 million (c.i.f., 1978); foodgrains, edible oil, crude oil,machinery, transport equipment, chemicals

Major trade partners: U.S., U.K., Japan, West Germany

Aid (including Bangladesh prior to 1972): economic—U.S. (FY70-77), $1.5 billion committed (excluding what is now Bangladesh); U.S.S.R. (1970-77), $495.6 million; China (1970-77), $418.3 million; Eastern Europe (1970-77), $72.8

million, military—U.S. (FY70-77), $2.0 million; U.S.S.R. (1970-77), $7.0 million; China (1970-77), $352.0 million; Eastern Europe (1970-77), $19.0 million; OPEC economic assistance (1974-78), $1.6 billion committed (S/NF)

Budget: expenditures, FY78—current expenditures, $2,048.7 million; capital expenditures, $1,717.2 million

Monetary conversion rate: 9.9 rupees=US$1 (since February 1973)

Fiscal year: 1 July-30 June

COMMUNICATIONS

Railroads: 8,816 km total (1979); 446 km meter gage (1.000 m), 7,758 km broad gage (1.676 m), 612 km narrow gage (0.762 m); 1,022 km double track; 286 km electrified; government-owned

Highways: 87,472 km total (1978); 26,855 km paved, 19,500 km gravel, 3,100 km improved earth, 38,017 km unimproved earth

Inland waterways: 1,850 km

Pipelines: 230 km crude oil; 1,931 km natural gas

Ports: 1 major, 5 minor

Merchant marine: 49 ships (1,000 GRT or over) totaling 435,400 GRT, 599,200 DWT; includes 47 cargo, 1 bulk, 1 tanker (C)

Civil air: 27 major transport aircraft

Airfields: 109 total, 101 usable; 63 with permanent-surface runways; 1 with runway over 3,660 m, 25 with runways 2,440-3,659 m, 47 with runways 1,200-2,439 m

Telecommunications: good international radiocommunication service over microwave and intelsat satellite; domestic radiocommunications poor; broadcast service very good; 300,000 (est.) telephones (0.4 per 100 popl.); 27 AM, no FM, 16 TV stations, and 4 repeaters; 1 ground satellite station

DEFENSE

Military manpower: males 15-49, 17,814,000; 10,591,000 fit for military service; 924,000 reach military age (17) annually

Personnel: 408,000 army, 9,900 navy, about 17,600 air force (550 pilots), 71,800 civil armed forces (S)

Major ground units: 6 corps headquarters, 16 infantry divisions, 2 armored divisions, 4 independent infantry brigades, 6 artillery brigades, 4 independent armored brigades, 6 armored reconnaissance regiments (battalion size), 2 AAA brigades, 6 SAM squadrons, and 1 special services group, plus an army air arm (C)

Ships: 1 light cruiser, 6 destroyer-types, 1 frigate, 6 submarines, 5 midget submarines, 19 coastal patrol, 7 mine warfare, 3 auxiliary, (S)

Aircraft: 585 (364 jet, 14 turboprop, 101 prop, 106 helicopters) operationally assigned (S/NF)

Supply: produces infantry weapons and ammunition up to and including 106-mm; U.S. and Western Europe were principal suppliers until September 1965; since then China and recently France have become major sources; some negotiations with the U.S. were reopened in March 1975; in recent years infantry weapons and ammunition have been provided by China and Turkey; medium tanks and artillery by China; artillery and ammunition by North Korea; armored vehicles and tank maintenance service from Iran; aircraft by China, France, Sweden, and the U.K.; helicopters provided by the U.S.S.R., the U.S., and France; transport vehicles supplied by China, the U.S.S.R., Iran, and Czechoslovakia; France has provided 3 submarines, 36 Mirage fighters; PRC has supplied over 200 jet fighters and trainers, 12 Shanghai-II-class patrol boats, 2 Hainan-class subchasers, and 4 Hu Chwan-class torpedo boats; most recently Portugal supplied 1 submarine; other naval ships have come from the U.K. and the U.S. (S)

Military budget: for fiscal year ending 30 June 1978, $1.15 billion; about 28% of central government budget

INTELLIGENCE AND SECURITY

Inter-Services Intelligence Directorate (ISID), military, domestic/foreign; Pakistan Intelligence Bureau (PIB), domestic/foreign; Federal Investigative Agency (FIA), domestic; Criminal Investigative Agency (CIA), domestic (S/NF)

EMBASSY OF THE
UNITED STATES OF AMERICA

Tehran, Iran

OFFICIAL-INFORMAL
SECRET

January 2, 1978

Charles W. Naas, Esquire
Director for Iranian Affairs
Department of State
Washington, D.C.

Dear Charlie:

During the Chiefs of Mission Meeting which was recently held in Nepal, we discussed some of the origins of Pakistan's current concern about its relations with the United States. In that discussion Art Hummel indicated that the Pakistanis felt we had let them down in the most recent India-Pakistan military engagement.

According to Hummel, this feeling was enhanced by the fact that the United States had given the Pakistanis assurances which went well beyond the terms of the 1959 U.S.-Pakistan bilateral. As you will recall, that bilateral (which is identical with the U.S.-Iran bilateral) indicates that our military reaction would ensue only if Pakistan were attacked by a Communist state or a state that is "Communist inspired".

According to Hummel's story, Ambassador Walter McConnaughey, during his tenure in Pakistan, was authorized to inform Pakistan that, even if the attack against Pakistan came from some non-Communist quarter (e.g., India), the United States would still consider itself bound by the bilateral and would react accordingly. This version of events obviously accounts for the Pakistani feeling that we reneged on our word when the Indian attack actually came.

SECRET

All of us at the Chiefs of Mission Meeting, including Spike Dubs, were considerably astounded by this revelation of history. If it is accurate, it represents an extension of assurances to Pakistan which has gone beyond anything we have ever given to Iran. Moreover, in discussing the nature of our commitments to Pakistan on several occasions with the Shah, I have pointed out consistently that our bilateral agreement of 1959 imposed no obligations upon us with respect to an India-Pakistan confrontation. If I have been wrong on this account, and if the Shah has had private knowledge of the assurances McConnaughey allegedly gave to Pakistan, it is obviously a source of some embarrassment to me.

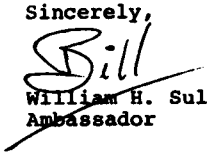
When all of us challenged Hummel on his facts he suggested we consult the Department and specifically get the text of a memorandum done by the Legal Adviser's office in the context of the charges Bhutto made in the spring of 1977 that the United States Government had betrayed Pakistan. This memorandum allegedly gives a full recital of the McConnaughey conversations and the authorizations which he had received from Washington precedent to his discussions with the Pakistanis.

Accordingly, I would appreciate it if you would get in touch with "L", obtain a copy of the memorandum in question, and send me appropriate excerpts. While you are at it you might check to see whether, in the same time frame, or any other time, the United States has extended similar assurances to Iran. Since the Shah has never mentioned them to me, I assume we have not done so. However, despite the massaging which he has received in two encounters with the President, I feel certain that some time in the future his doubts and concerns about our steadfastness will emerge once again, and I wish to be fully equipped to deal with them when they do.

Needless to say, the recent Presidential visit, coupled with the State Visit which the Shah made to Washington in

November, have given him considerable reassurances about the "unshakable" nature of our alliance. Nevertheless, therapy is useful from time to time.

Sincerely,



William H. Sullivan
Ambassador

American Security Assurances to Pakistan

Virtually all meetings between high-level Pakistani and American policymakers in the last generation have been marked by Pakistani efforts to obtain security assurances, both privately and in any joint communiques issued after the event. Despite the obvious incongruity in a meeting presumably devoted to discussing allegations of American intervention and conspiracy with the opposition, the Foreign Minister will probably follow the old script and seek security assurances.

Since the early 1960's we have not added to the formal and informal record of security assurances to Pakistan, but have, instead, included in communiques a variety of formulations concerning the importance to us of Pakistan's independence, security, and territorial integrity.

With Pakistan's withdrawal from SEATO, our only present legal obligation is contained in the 1959 Cooperation Agreement, relating to CENTO and limited by the "Eisenhower Doctrine" to cases of Communist country aggression against Pakistan. In such a case, we would be obligated to "take such appropriate action, including use of our armed forces, as may be mutually agreed upon and as is envisaged in the Joint Resolution to Promote Peace and Stability in the Middle East". This, in essence, is an obligation to consult, and nothing more. In 1970, the administration informed the Congress that it did not consider that the Joint Resolution to Promote Peace and Stability in the Middle East, which had been adopted with regard to a particular crisis, constituted a current authorization for the use of U.S. armed forces. This view of the Middle East Resolution is confirmed by the 1973 War Powers resolution.

Pakistan has been more concerned about obtaining security "assurances" against aggression by India than by Communist countries. Its representatives have elicited from us a number of ambiguous texts and verbal assurances, of which they maintain careful notes. The principal document usually cited is an Aide-Memoire given Pakistan by the United States on November 5, 1962, which stated that

the "... United States reaffirms its previous assurances that it will come to Pakistan's assistance in the event of aggression from India against Pakistan". However, a U.S. public statement on November 17, 1962, pointed out that the United States had assured both India and Pakistan that, if our assistance to the one were misused and directed against the other in aggression, "the United States would undertake immediately, in accordance with constitutional authority, appropriate action both within and without the United Nations to thwart such aggression". By an exchange of letters on November 19 and 28, 1962, the November 5 "assurance" was clearly connected with the November 17 public statement. Thus, this "assurance", which in any event did not constitute a binding obligation to take any specific action, related to a situation, no longer existing, in which the United States provided military assistance to India. With the major change in this political circumstance, our 1962 "assurances" regarding aggression from India lost whatever legal effect they once had. The following is a brief illustrative rundown of the formal record of our "assurances":

The Formal Record - American "security assurances" to Pakistan were conveyed in the following documents:

-- The Mutual Security:Defense Support Assistance Agreement signed at Karachi on January 11, 1955, citing a mutual interest in "the development of Pakistan's capacity to maintain its independence and security", commits the U.S., subject to existing legislation and availability of funds, to "furnish the Government of Pakistan such commodities, services, or such other assistance as may be requested by it and authorized by the Government of the U.S.".

-- The bilateral Cooperation Agreement signed at Ankara on March 5, 1959, which is discussed above.

-- U.S. membership in CENTO's major committees, and our participation in all important CENTO activities and exercises, imply an additional U.S. commitment to help defend Pakistan (but only against Communist country aggression).

-- A Note of April 15, 1959, committed us "promptly and effectively to come to the assistance of Pakistan if it were subjected to armed aggression", an undertaking also

conditioned by prior reference to the "Eisenhower Doctrine", the CENTO Agreement, and the U.N. Charter. We also asserted that "a threat" to Pakistan's integrity or independence "would be viewed by the U.S. with the utmost gravity". (Then Secretary Dulles tended to ignore these conditions in private conversations with Pakistan's officials.)

-- The Aide-Memoire of November 5, 1962 and the public statement of November 17, 1962, regarding aggression from India, which are discussed above.

-- The exchange of letters of November 19 and November 28, 1962, also mentioned above, which placed the Aide-Memoire in the context of assurances against Indian misuse of U.S. military assistance.

Despite Pakistani interpretations of these documents and Bhutto's occasional public complaints, the U.S. is not obligated by any of these agreements or any other understanding to provide arms gratis or on credit to Pakistan.

Communique Formulations - Following Bhutto's 1973 visit to the U.S., we described Pakistan's security as the "cornerstone" of U.S. foreign policy. The joint statement issued on the occasion of Secretary Kissinger's 1974 stop in Islamabad cited the President's "assurances that the United States would continue to support the sovereignty and territorial integrity of ...Pakistan...". The joint statement issued after Bhutto's February 1975 visit here noted President Ford's assurance that "support for the independence and territorial integrity of Pakistan remains an enduring principle of American foreign policy". In August 1976, at the conclusion of Secretary Kissinger's visit to Pakistan, the "enduring principle" formulation was used again.

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5/23/77 x22441

Clearances: IR/RNA/SOA:GGBGriffin (subs)
A/RA:SEPalmer (subs)
L/NEA:DSmall (draft)

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ACTION Pol 3

AmEmbassy TEHRAN
INCOMING TELEGRAM

CONTROL NO. 2182

P R 091150Z FEB 78 CONFIDENTIAL FEB 10 1978
FM AMEMBASSY ISLAMABAD
INFO: TO RUEHC/SECSTATE WASHDC PRIORITY 5825
AMB 1 INFO RUQMOU/AMEMBASSY ANKARA 3461
DCM RUMJGM/AMEMBASSY COLOMBO 989
RUMJDK/AMEMBASSY DACCA 2498
RUSELK/AMEMBASSY KABUL 7597
RUSBKR/AMCONSUL KARACHI 4738
POL 2 ZEN/AMCONSUL LAHORE 4721
ECON 2 RUDTC/AMEMBASSY LONDON 3048
PM RUSBAA/AMEMBASSY NEW DELHI 7859
USIS 1 RUFNPS/AMEMBASSY PARIS 1833
CONS RUQMHR/AMEMBASSY TEHRAN 4224-S
SR 1 RUHQHSA/CINCPAC
ADM RUSNAAA/CINCEUR
RUFRBAA/COMIDEASTFOR
BT

CONFIDENTIAL. ISLAMABAD 1454

DE
FER PACOM AND EUCOM FOR POLAD

RSO E.O. 11652: GDS
MSG TAGS: PEPR, PK, IR, IN
TSO SUBJECT: SHAH OF IRAN DROPS BY FOR LUNCH

SCRO REF: A) ISLAMABAD 1387 (NOTAL) B) ISLAMABAD 0935 (NOTAL)
GRO
CED 1. SUMMARY: DURING BRIEF FIVE HOUR STOP IN ISLAMABAD FEBRUARY 5, THE SHAH BRIEFED GENERAL ZIA ON HIS TALKS IN INDIA, RAISED -- BUT DID NOT PUSH -- HIS COMMON MARKET SCHEME, AND MET BRIEFLY WITH THE MAJOR NON-PPP POLITICAL LEADERS, REAFFIRMING TO THEM (AND TO GENERAL ZIA) HIS CONTINUING INTEREST IN THE TERRITORIAL INTEGRITY OF PAKISTAN. PAKS SEEM GENERALLY PLEASED WITH OUTCOME OF VISIT BUT REMAIN APPREHENSIVE OVER LONG-TERM INDO-IRANIAN RELATIONSHIP AND HOW IT WILL AFFECT PAKISTAN'S INTERESTS. END SUMMARY.
MP
DAO
MAAG
AGR
DEA
IRS
TCTR 2. SHAH OF IRAN ARRIVED FROM DELHI AT 1100 FEBRUARY 5 AND BEFORE DEPARTING AT 1600 CALLED ON THE PRESIDENT, MET WITH CHIEF MARTIAL LAW ADMINISTRATOR (CMLA) GENERAL ZIA, AND ATTENDED A LUNCHEON HOSTED BY THE PRESIDENT. BEFORE LUNCH, HE HAD FIVE-MINUTE TALKS WITH SEVERAL OF THE MAJOR POLITICAL LEADERS, INCLUDING WALI KHAN AND BALUCHI LEADERS, MANY OF WHOM ALSO ATTENDED LUNCH.
FAA
TU
CRU 1
SHIR 1 3. SHAH'S TALK WITH ZIA WAS TETE-A-TETE AND THE WORKING LEVEL AT THE MFA HAS NOT YET BEEN BRIEFED FULLY ON THE DISCUSSION. AT SAME TIME, IRANIAN TEAM LED BY FOREIGN MINISTER KHALATBARY MET WITH PAK OFFICIALS, INCLUDING MFA SECRETARY GENERAL AGHA SHAHI. BASED ON NEWSPAPER REPORTING AND OUR CONVERSATIONS AT IRANIAN EMBASSY AND MFA, WE UNDERSTAND FOLLOWING TOPICS WERE COVERED IN BOTH MEETINGS.
TABR
ISFA
Bsa

--- BRIEFING ON INDIA VISIT - SHAH REPORTEDLY TOOK MOST OF MEETING WITH ZIA TO BRIEF (AND REASSURE) HIM ON HIS TALKS WITH INDIAN LEADERS. AMONG ISSUES COVERED WERE THE INDIAN OCEAN, IRANIAN AID TO VARIOUS PROJECTS IN INDIA, AND IRANIAN/INDIAN TRADE PROSPECTS.

CONFIDENTIAL

CONFIDENTIAL 2-2182

--- COMMON MARKET - THE SHAH REPORTEDLY RAISED HIS COMMON MARKET SCHEME WITH ZIA BUT IN A LOW-KEY AND NON-COERCIVE WAY. HIS POSITION, REFLECTED IN KHALATBARY/SHAHI TALKS, WAS THAT GREATER ECONOMIC COOPERATION WOULD BENEFIT THE ENTIRE AREA; GOP SHOULD NOT HAVE A CLOSED MIND BUT RATHER SHOULD GIVE FURTHER CONSIDERATION TO HOW CLOSER COOPERATION CAN BE ACHIEVED.

---TRANSIT FACILITIES - MFA CONTENDS THAT QUESTION OF TRANSIT FACILITIES WAS RAISED IN ONLY VERY GENERAL TERMS DURING DISCUSSION OF COMMON MARKET. SEPTEL REPORTS ON POSSIBILITY OF IRANIAN SUPPPORT FOR UPGRADING PAK TRANSPORTATION SYSTEM.

--- TALKS WITH POLITICAL LEADERS - THE SHAH MET MANY OF THE LEADING NON-PPP POLITICAL FIGURES INDIVIDUALLY, IN FIVE-MINUTE SEGMENTS, BEFORE LUNCH. HE REPORTEDLY WAS FAVORABLY "IMPRESSED" BY WALI KHAN, ALTHOUGH NOT TO THE DEGREE NECESSARY TO REMOVE HIS SUSPICIONS ABOUT WALI'S "SECESSIONIST" TENDENCIES. IN EACH OF THE MEETINGS THE SHAH TOLD THE LEADERS THAT PAKISTAN'S TERRITORIAL INTEGRITY IS OF PARAMOUNT IMPORTANCE TO IRAN.

--- IRANIAN AID TO PAKISTAN - IRANIAN EMBASSY DCM IMPLIED SHAH TOLD ZIA THAT PAKISTANGRS ECONOMIC PERFORMANCE HAD TO IMPROVE IF PAKISTAN EXPECTED ADDITIONAL ASSISTANCE FROM IRAN.

--- RESCHEDULING - MFA DIRECTOR GENERAL (AFGHANISTAN, IRAN, TURKEY) AMIR USMAN TELLS US THAT SHAH AGREED TO A TWO-YEAR DELAY IN START OF REPAYMENT FOR $580 MILLION LOAN. FIRST PAYMENTS WERE DUE THIS YEAR; MFA AND IRANIAN EMBASSY NOTE THAT OTHER THAN TWO-YEAR DEFERRAL PERIOD, TERMS OF LOAN WERE NOT CHANGED.

---CITIBANK LOAN - USMAN SAID THAT IRANIAN-GUARANTEED, CITIBANK-ARRANGED $300 MILLION LOAN IS "VERY MUCH ALIVE." DURING HIS LAST VISIT TO TEHRAN, ZIA WAS TOLD BY SHAH LOAN WOULD BE APPROVED, AND THIS WAS CONFIRMED DURING THEIR PRIVATE TALK. USMAN NOTED, HOWEVER, THAT THE "WORKING LEVEL" HAS PROBLEMS WITH THE "TECHNICALITIES" OF THE LOAN. MAIN STUMBLING BLOCK IS CITIBANK DEMAND FOR A 1.6 PERCENT MANAGEMENT FEE WHICH IS NOT ACCEPTABLE TO THE GOI. USMAN SAID HE WOULD NOT HAZARD A GUESS WHEN THESE TECHNICAL ISSUES WOULD BE RESOLVED.

4. COMMENT: GOP WAS RELIEVED THAT VAJPAZEE AND SHAH VISITS PASSED SMOOTHLY WITHOUT DISLOCATING RELATIONS WITH EITHER OF PAKISTAN'S TWO LARGER/IMMEDIATE NEIGHBORS. MANY IN GOP WERE OBVIOUSLY CONCERNED THAT INDIANS AND IRANIANS WOULD CONSPIRE TO PUT PRESSURE ON ISLAMABAD ON COMMON MARKET AND TRANSIT ISSUES DURING THE TWO VISITS. SPATE OF ADVANCEHZALICITY FROM DELHI ONLY INCREASED THEIR FEARS. SOME DIPLOMATS HERE CONTEND GOP MAY HAVE ENCOURAGED STRONG PAK PRESS REACTION TO COMMON MARKET SPECULATION TO SHOW BOTH DELHI AND THE SHAH ITAI PAK PUBLIC OPINION WOULD NOT TOLERATE SUCH A SCHEME.

5. IN THE MFA VIEW, PAKISTAN EMERGED UNSCATHED FROM TWO DIFFICULT VISITS AND MANAGED TO AVOID CONFRONTATION WITH EITHER GUEST. PAKISTAN'S LONG-TERM FEARS, FRUSTRATIONS, AND SUSPICIONS THAT IRAN AND INDIA MAY SEE IT IN THEIR INTEREST TO COOPERATE TO PAKISTAN'S DETRIMENT REMAINS UNDIMINISHED, HOWEVER, AND WILL CONTINUE TO COLOR PAKISTAN'S VIEW OF PROPOSALS MADE BY BOTH COUNTRIES.

CONFIDENTIAL

HUMMEL

AmEmbassy TEHRAN

ACTION: AMB 2 INCOMING TELEGRAM CONTROL NO. 5988

APR 21 1...

INFO:
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DCM 1
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SECRET

O R 210031Z APR 78
FM SECSTATE WASHDC
TO RUFNPS/AMEMBASSY PARIS IMMEDIATE 9263
RUSBQD/AMEMBASSY ISLAMABAD IMMEDIATE 9286
INFO RUQMKR/AMEMBASSY TEHRAN 3987
BT
S E C R E T STATE 101528

EXDIS FOR THE AMBASSADOR

E.O. 11652:XGDS 3

TAGS: MNUC, TECH, ENRG, FR, PK, IN

SUBJECT: PAKISTAN REPROCESSING ISSUE

REF: A) PARIS 11987; B) STATE 19183

1. YOUR PERTINENT QUESTION IN PARA 6 OF REFTEL A IS ONE TO WHICH WE HAVE BEEN GIVING CONSIDERABLE THOUGHT. CLEARLY, IF THE FRENCH CANCEL THE CONTRACT, WE WILL WANT TO TRY TO FORESTALL A PAKISTANI DECISION TO GO IT ALONE, EITHER OPENLY OR COVERTLY. THE GLENN AMENDMENT APPLIES TO COUNTRIES RECEIVING REPROCESSING EQUIPMENT AND TECHNOLOGY FROM ABROAD, BUT IF THE PAKISTANIS SHOULD PROCEED WITH CONSTRUCTION OF A FACILITY BY THEMSELVES, WE WOULD CERTAINLY BE FACED WITH VERY DIFFICULT POLICY DECISIONS ON OUR FUTURE RELATIONS, INCLUDING ECONOMIC AID AND ARMS SALES.

2. THE ZIA REGIME IS POLITICALLY VULNERABLE AND COULD BE SUBJECT TO ATTACK FROM VIRTUALLY ALL CORNERS OF THE DOMESTIC POLITICAL SPECTRUM IF IT WERE SEEN TO BE BOWING TO U.S./FRENCH PRESSURE. THUS THERE MIGHT BE A STRONG TEMPTATION FOR ZIA TO SHOOT FROM THE HIP AND PROMPTLY

ANNOUNCE PAKISTAN'S INTENTION TO COMPLETE THE REPROCESSING PLANT COME WHAT MAY. IN THIS CONNECTION, FRENCH ARGUMENTS NOTWITHSTANDING, WE DOUBT VERY MUCH THAT THE PAKISTANIS COULD ON THEIR OWN COMPLETE A REPROCESSING PLANT SUITABLE FOR COMMERCIAL OPERATION, OR FIND AN ALTERNATIVE FOREIGN SUPPLIER TO ASSIST THEM IN COMPLETING IT. HOWEVER, THE PAKISTANIS MIGHT WELL PRESS ON WITH THE PROJECT, CONSTRUCTING A RELATIVELY SMALL AND CRUDE PLANT DESIGNED TO PRODUCE PUJE PLUTONIUM, THE PURPOSE OF WHICH WBULD BE CLEAR TO ALL.

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3. WITH THIS IN MIND, WE ARE DOING SOME PRELIMINARY THINKING ON WAYS THAT WE, PERHAPS IN COOPERATION WITH THE FRENCH, MIGHT BE ABLE TO DISSUADE THE GOP FROM TAKING A HASTY ANDSUNHELPFUL DECISION IF AND WHEN THE FRENCH CANCEL OUT. WE RECOGNIZE THE DIFFICULTIES OF COORDINATING WITH THE FRENCH ON TACTICS BEFORE THEY HAVE EVEN MADE THEIR DECISION ON THE CONTRACT. HOWEVER, AT SOME EARLY STAGE WE BELIEVE IT MIGHT BE USEFUL TO ASK YOU TO INITIATE DISCUSSIONS WITH THE FRENCH ON THE MODALITIES OF THEIR DISENGAGEMENT, IF SUCH SHOULD BE THEIR DECISION. TOGETHER, OR ACTING SEPARATELY, WE MIGHT BE ABLE TO PRESENT SUFFICIENTLY ATTRACTIVE INDUCEMENTS ALONG THE LINES REFERRED TO IN PARA 1C OF REFTEL B TO PROVIDE THE GOP WITH AN ALTERNATIVE TO MOVING AHEAD ALONE WITH REPROCESSING.

4. YOUR REACTIONS TO THE ABOVE WOULD BE APPRECIATED. CHRISTOPHER

BT

1528

AmEmbassy TEHRAN

ON: DCM 2 INCOMING TELEGRAM CONTROL NO. 6024

APR 25 [illegible]

1. RCB
2. [redacted] VA
3. RF
4. DB for filing

EXDIS

SECRET

O R 211500Z APR 78
FM AMEMBASSY PARIS
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0442
INFO RUSBOD/AMEMBASSY ISLAMABAD 1520
RUQMHR/AMEMBASSY TEHRAN 3528
BT
S E C R E T PARIS 13004

EXDIS

E.O. 11652: XGDS-3
TAGS: MNUC TECH ENRG FR PK
SUBJ: PAKISTAN REPROCESSING ISSUE

REF: (A) STATE 101528; (B) PARIS 11907; (C) STATE 91983; (D) PARIS 10913

1. IN OUR OPINION, GISCARD WOULD BE SIGNIFICANTLY HELPED TOWARD DECIDING TO CANCEL THE PLANT IF HE BELIEVED THAT A PROGRAM OF ALTERNATE ACTIVITIES, SUCH AS THE FRENCH-US PROGRAM OUTLINED IN PARA 1C OF REF C, OFFERED A FAIR PROBABILITY THAT THE GOP WOULD DECIDE NOT TO CONTINUE CONSTRUCTION OF THE PLANT AND THAT THE ALTERNATE ACTIVITIES WOULD REQUIRE CONTINUED FRENCH AND US INVOLVEMENT-RELATIONS WITH PAKISTAN.

2. THE FRENCH (JACOMET VOICING HIS OPINION) BELIEVE THAT THE PAKS COULD FINISH SOME FORM OF A REPROCESSING PLANT WITHIN A FEW YEARS OF THE ORIGINAL COMPLETION DATE IF THE FRENCH GET OUT NOW; TWO ON-SITE FRENCH ENGINEERS MAKE UP CURRENT FRENCH ASSISTANCE, ACCORDING TO JACOMET; AND HE REPORTS THAT THE PLANT IS BEING BUILT ACCORDING TO SPECIFICATIONS, ALTHOUGH SEVERAL MONTHS BEHIND THE ORIGINAL SCHEDULE. THUS, REASONS JACOMET, IF THE GOF CANCELS AND THE GOP CONTINUES, OPERATION OF SOME FORM OF PLANT WITHOUT CONTROLS WOULD BE A SERIOUS LOSS FOR NON-PROLIFERATION OBJECTIVES. FRANCE WOULD BE OUT OF PAKISTAN AND SUFFER SOME CREDIBILITY LOSS WITH OTHER PROSPECTIVE NUCLEAR HARDWARE CUSTOMERS: CANCELLATION COULD RESULT IN NO WINS AND SEVERAL LOSSES.

3. DURING NYE'S BRIEF DESCRIPTION OF A POSSIBLE US-FRENCH ALTERNATE PLAN ON MARCH 31 TO JACOMET (REF D) JACOMET APPEARED INTERESTED IN FOLLOWING THIS ASPECT FURTHER. WE ASSUME HE WOULD BE PREPARED TO DEVOTE CONSIDERABLE ATTENTION TO THIS ASPECT IN HIS "OPTIONS PAPER" REPORT TO GISCARD WHICH HE MAY BE PREPARING IN THE NEXT TWO OR THREE WEEKS.

4. IF DEPARTMENT AGREES AND WOULD PROVIDE US WITH FURTHER SPECIFICS ON TACTICS AND POSSIBLE INDUCEMENTS, WE BELIEVE IT WOULD BE A MOVE WELCOMED BY THE FRENCH

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AND HELPFUL TO USG OBJECTIVES TO DISCUSS NOW WITH JACOMET AND OTHERS AT THE MFA THE GENERAL CHARACTERISTICS OF SUCH TACTICS AND POSSIBLE INDUCEMENTS. WE WOULD EXPECT THEM TO STUDY THE MATTER FOR A FEW DAYS AND THEN ASK FURTHER QUESTIONS SO THAT THE "OPTIONS PAPER" FOR GISCARD WOULD HAVE ALL GOF INTERESTS COVERED. THIS SCENARIO COULD LEAD TO THE FRENCH ASKING FOR FIRM USG COMMITMENTS PRIOR TO GISCARD MAKING HIS DECISION PUBLICLY KNOWN. IT MAY ALSO BE USEFUL TO MAKE THE PAKISTAN REPROCESSING PLANT SUBJECT AN AGENDA ITEM FOR THE POSSIBLE GISCARD-CARTER TELECON (OR MEETING) IN THE US IN LATE MAY, URGING THAT THE MFA "OPTIONS PAPER" BE IN GISCARD'S HANDS WELL IN ADVANCE OF THE MEETING.
GAMMON
BT
3004

SECRET

AmEmbassy TEHRAN

ACTION: PCM 2 INCOMING TELEGRAM CONTROL NO. 6225

APR 26 1978

O R 251106Z APR 78 SECRET
FM AMEMBASSY ISLAMABAD
INFO: TO RUEHC/SECSTATE WASHDC IMMEDIATE 6871
INFO RUFNPS/AMEMBASSY PARIS 2812
RUQMHR/AMEMBASSY TEHRAN 4363
BT
S E C R E T ISLAMABAD 4865

EXDIS

EXDIS

E.O. 11652: XGDS-3
TAGS: MNUC MASS ENRG EAID FR PK IR
SUBJECT: PAKISTAN REPROCESSING ISSUE

REF: (A) STATE 101528 (B) PARIS 1[illegible] (C) PARIS 11987
(D) STATE 091983

1. I AGREE WITH THE PROPOSAL IN REFTEL (A) TO PLAN IN ADVANCE OF A FRENCH DECISION HOW WE TOGETHER WOULD HANDLE THESPAKISTANIS IF THAT DECISION GOESSTHE WAY WE WANT IT TO GO,(I.E., IN FRENCH CANCELLATION OF THE REPROCESSING PLANT CONTRACT. I AGREE ALSO WITH REFTEL (B) THAT ENGAGING THE FRENCH IN THIS PLANNING BEFORE THEIR DECISION MAY BE SALUTARY IN PERSUADING THE FRENCH TO CANCEL.

2. OUR AIM WITH REGARD TO PAKISTAN REMAINS TWO-FOLD:

A. IN THE LONGER RUN, WE WANT TO EFSURE THAT THE PAKS DO NOT GO FORWARD WITH THE PLANT, EITHER WITH THE FRENCH, OR ON THEIR OWN (IF THE FRENCH ARE RIGHT), OR WITH SOME OTHER COLLABORATOR. WE ARE NOT SIMPLY TRYING TO MAKE NUCLEAR WEAPONS PRODUCTION MORE DIFFICULT FOR PAKISTAN; WE ARE ATTEMPTING TO DENY THEM THE OPTION.

B. IN THE NEARER TERM WE WANT TO FORESTALL ANY PUBLIC ANNOUNCEMENT BY THE GOP THAT THEY INTEND TO GO IT ALONE -- A CLAIM THAT WOULD GREATLY COMPLICATE US-PAK RELATIONS AND WHICH IT WOULD BE DIFFICULT FOR THE GOP TO BACK AWAY FROM LATER ON.

3. FRENCH AND U.S. APPROACHES TO THE PAKS SHOULD BE SEPARATE BUT COORDINATED; THIS WILL INVOLVE NOT ONLY DISCUSSION OF THE CONTENT OF OUR APPROACHESSBUT WILL ALSO REQUIRE THAT WE KNOW THE TIMING OF THE FRENCH NOTIFICATION OF THE GOP SO THAT WE CAN MOVE QUICKLY TO TRY TO FORESTALL A RANCOROUS AND TROUBLESOME GOP REACTION.

4. WE MUST AVOID PROMISING, EVEN IMPLICITLY, MORE THAN WESKNOW WE CAN DELIVER; WE ALSO HAVE TO AVOID ASSIGNING A HIGHER VALUE TO US ASSISTANCE THAN THE PAKSVWHEMSELVES MAY ASSIGN TO IT.

5. IT WOULD BE USEFUL TO HAVE A SET OF TALKING POINTS AGREED WITH THE FRENCH THAT I COULD MAKE TO GEN. ZIA WHEN -- AND IF -- THE TIME COMES. I ASSUME THAT THE FRENCH WOULD FIRST NOTIFY GEN.

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ZIA OFSTHE CANCELLATION, PROBABLY OFFERING OTHER COOPERATION ON A NEW POWER REACTOR, INTER ALIA. MY TALKING POINTS COULD INCLUDE THE FOLLOWING:

A. WE UNDERSTAND THAT WE NO LONGER NEED TO BE CONCERNED THAT THE SANCTIONS OF THE GLENN AMENDMENT MAY HAVE TO BE APPLIED.

B. WE LOOK FORWARD TO THE RESUMPTION OF A MUCH CLOSER RELATIONSHIP; FOR OUR PART WE ARE PREPARED:
-- TO MOVE QUICKLY TO OBVIGATE THE REMAINING $40-45 MILLION IN LAST YEAR'S AID PROGRAM; ANDSFURTHER AMOUNTS AVAILABLE IN THE CURRENT FY.
-- TO MOVE WITH DESPATCH TO STEP UP PLANNING FOR THE UTILIZATION OF THE NEARLY $100 MILLION IN NEXT YEAR'S PROGRAM.
-- TO CONSIDER ADDITIONAL PL-480 AGREEMENTS;
-- TO DISCUSS WITH PAKISTAN AND TO CONSIDER SYMPATHETICALLY ITS REQUESTS FOR SPECIFIC ITEMS OF MILITARY EQUIPMENT SALES TO MEET PAKISTAN'S LEGITIMATE DEFENSE REQUIREMENTS IN SUCH AREAS AS SHIPS AND MODERN AIRCRAFT;
-- TO CONTINUE THE IMET PROGRAM, INCLUDING A MODEST EXPANSION OF THE PROGRAM TO MATCH AT LEAST THE COST OF INFLATION;
-- TO DISCUSS FURTHER WITH THE GOP SECURITY ASSURANCES FOR NON-NUCLEAR WEAPONS STATES; AND,
-- TO EXPAND OUR DIALOGUE WITH THE GOP TO EXAMINE AREAS IN WHICH PAKISTAN WISHES TO EXPAND OR ENRICH OUR BILATERAL RELATIONSHIP;

C. OUR ABILITY TO CONSIDER ALL OF THESE MATTERS AND TO TAKE POSITIVE STEPS TO IMPROVE OUR BILATERAL COOPERATION AND OUR OVERALL RELATIONSHIP IS CONTINGENT, OF COURSE, ON PAKISTAN'S WILLINGNESS TO ACCEPT THE FRENCH DECISION AND TO ESCHEW FURTHER PLANS TO DEVELOP, IN PAKISTAN, ANY NUCLEAR REPROCESSING CAPABILITY.

6. AN ADDITIONAL POINT FOR THIS PACKAGE, REQUIRING COORDINATION WITH THE FRENCH, WOULD BE THE DEVELOPMENT OF SOME ALTERNATIVE PROPOSALS TO DEMONSTRATE THAT WE ARE PREPARED TO ASSIST PAKISTAN TO MEET LEGITIMATE REQUIREMENTS IN THE ENERGY AND NUCLEAR TECHNOLOGY FIELDS SO THAT THEIR COOPERATION WITH US ON NUCLEAR NON-PROLIFERATION WOULD NOT DISADVANTAGE THEM IN TERMS OF BENEFITS OF NUCLEAR TECHNOLOGY DEVOTEDSTO PEACEFUL PURPOSES.

7. IN OUR DEALINGS WITH THE FRENCH, MOREOVER, WE WOULD NEED TO BE AS SYMPATHETIC AS POSSIBLE TO SOME OF THEIR COMMERCIAL INTERESTS HERE. WE MAY NOT BE ABLE TO GO SO FAR AS TO HELP THEM ON THE SAVIEM TRUCK AND AIRBUS A-300 DEALS WHICH THE PAKS HAVE STRONGLY HINTED WILL BE [illegible] OF ANY FRENCH DECISION TO CANCEL THE REPROCESSING CONTRACT. WHATEVER ASSURANCES WE MIGHT OFFER, FOR INSTANCE, THAT WE WOULD NOT SEEK TO TAKE ADVANTAGE OF POTENTIAL OPPORTUNITIES THESE AREAS COULD PROVIDE FOR AMERICAN PRODUCTS WOULD BE EXTREMELY DIFFICULT FOR THE USG TO IMPLEMENT -- ESPECIALLY IN THE AIRCRAFT FIELD -- AND THE FRENCH KNOW THIS. MORE USEFUL IN PERSUADING THE FRENCH TO DESIST ON THE REPROCESSING CONTRACT WOULD BE ASSURANCES OF US SUPPORT FOR AN

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SECRET

EXPANDED PROGRAM OF FRENCH REACTOR SALES TO PAKISTAN; WE COULD ALSO OFFER TO HELP FRANCE FIND FINANCING, EITHER FROM USG SOURCES OR FROM OPEC SOURCES SUCH AS SAUDI ARABIA OR IRAN.

6. I NOTE THAT SOME CABLES IN THIS EXCHANGE HAVE BEEN REPEATED TO TEHRAN WHILE OTHERS HAVE NOT. I WOULD SUGGEST THAT THE RECENT CABLES BE REPEATED TO BILL SULLIVAN SO HE CAN COMMENT ON WHAT ROLE THE SHAH MIGHT BE PERSUADED TO PLAY (AND AT WHAT TIME) DURING THE UNFOLDING OF THE ABOVE SCENARIO.

HUMMEL

BT
4865

SECRET

DCM 2

ACTION: **AmEmbassy TEHRAN**
INCOMING TELEGRAM CONTROL NO. 7503

INFO:
AP 8 1
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ECON 1
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MAY 18 1978

EXDIS

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18 May 78 09 38z 007503

R 171125Z MAY 78
FM AMEMBASSY ISLAMABAD
TO RUEHC/SECSTATE WASHDC 7231
INFO RUFNPS/AMEMBASSY PARIS 2081
RUQMHR/AMEMBASSY TEHRAN 4422
BT
S E C R E T ISLAMABAD 4902

EXDIS

E.O. 11652: GDS
TAGS: MNUC, TECH, PK
SUBJECT: PAKISTAN, IRAN AND REPROCESSING

REF: A. TEHRAN 4692; B. STATE 123149

1. WE HAVE SOMEWHAT DIFFERENT PERSPECTIVE ON ISSUE RAISED IN PARA THREE REFTEL A. PAKISTAN WILL NOT RPT NOT AGREE TO OR EVEN ACQUIESCE SMOOTHLY IN ANY FRENCH CANCELLATION OF THE REPROCESSING CONTRACT. THE GOP WILL, IN FACT, RAISE AN ALMIGHTY FUSS ABOUT THE PERFIDY OF THE FRENCH AND THE INJUSTICE OF USG PRESSURES ON PAKISTAN AND THE FRENCH. WHETHER OR NOT BHUTTO'S ULTIMATE FATE, BEEN SEALED AT THAT TIME, AND WHATEVER BHUTTO'S FATE HAS THE PRESENT GOVERNMENT WILL WANT TO GO TO CONSIDERABLE LENGTHS TO PROVE TO PAKISTANIS THAT IT IS NOT A WILLING ACCESSORY OR ACCOMPLICE TO THE CANCELLATION.

2. AS WE HAVE SAID, THE PROPOSAL BY THE USG OF A PACKAGE OF ECONOMIC AND POSSIBLY MILITARY ASSISTANCE ITEMS WOULD HAVE TWO TACTICAL OBJECTIVES (A) TO REDUCE TO SOME EXTENT THE VIOLENCE OF THE GOP REACTION, AND (B) TO TRY TO ENSURE THAT THE GOP DOES NOT QUICKLY ASSERT THAT IT WILL GO IT ALONE WITH ITS OWN REPROCESSING PLANT--AN ANNOUNCEMENT THAT WOULD CAUSE SEVERE PROBLEMS FOR OUR ABILITY TO FURNISH ASSISTANCE. THE ASSISTANCE PACKAGE WOULD NOT BE DESIGNED TO GAIN GOP "AGREEMENT" TO THE CANCELLATION, WHICH WE THINK IS IMPOSSIBLE.

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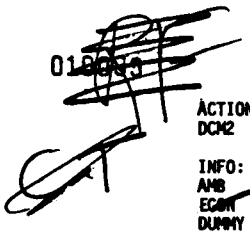
CONFIDENTIAL



ACTION:
DCM2

INFO:
AMB
ECON
DUMMY CHRON

0 081624Z JUL 78
FM SECSTATE WASHDC
TO RUEHCR/AMEMBASSY TEHRAN IMMEDIATE 5356
RUEHCR/AMEMBASSY ISLAMABAD IMMEDIATE 0438
BT
C O N F I D E N T I A L STATE 172804

STADIS
EXDIS

EXDIS

E.O. 11652: GDS

TAGS: EFIN

SUBJECT: THE IRANIAN-GUARANTEED COMMERCIAL BANK LOAN TO PAKISTAN

THE FOLLOWING COPY OF A BACKGROUND PAPER ON THE ISSUE OF THE IRANIAN-GUARANTEED COMMERCIAL BANK LOAN TO PAKISTAN PREPARED FOR UNDER SECRETARY NEWSOM IS PROVIDED FOR YOUR INFORMATION.

BACKGROUND:

OVER THE PAST TWO YEARS THERE HAVE BEEN FREQUENT DISCUSSIONS BETWEEN PAKISTAN AND A SYNDICATE OF PRIVATE BANKS (LED BY CITIBANK) REGARDING THE POSSIBILITY OF A $300 MILLION COMMERCIAL BANK LOAN. SUCH A LOAN WOULD CARRY A MATURITY OF 6 OR 7 YEARS AND BE GUARANTEED BY IRAN. THE LOAN WAS DELAYED BY PRIVATE BANK CONCERN REGARDING THE POLITICAL/ECONOMIC UNCERTAINTIES AFFECTING PAKISTAN AND BY THE DIFFICULTIES OF WORKING OUT THE TECHNICAL ASPECTS OF SUCH A LOAN. IN THE INTERIM, PAKISTAN BEGAN TO ACCUMULATE SHORT-TERM (1 YEAR OR LESS) DEBT AS A SUBSTITUTE FOR THE REQUIRED FINANCING.
REQUIRED FINANCING.

IN RECENT MONTHS, IT APPEARS THAT THE GOP HAS ENERGETICALLY PURSUED THE GOI ON THE $300 MILLION LOAN, BUT THAT THE GOI HAS BEEN COOL, APPARENTLY HOLDING UP A DECISION PENDING RESOLUTION OF THE BHUTTO CASE. HOWEVER, THERE HAS BEEN A SIGNIFICANT EASING OF PAKISTAN'S BALANCE OF PAYMENTS DIFFICULTIES, LARGELY THE RESULT OF SHARPLY INCREASED WORKER REMITTANCES. (FOREIGN REMITTANCES ROSE FROM $600 MILLION IN FFY 77 TO ROUGHLY $1.2 BILLION IN FFY 78.) THE IMF STANDBY BEING NEGOTIATED BETWEEN THE FUND AND THE GOP REFLECTS THE NEED TO LIMIT THE CONTRACTING OF NEW DEBT. THE LETTER OF INTENT CURRENTLY BEING REVIEWED BY THE GOP WOULD PROHIBIT DEBT WITH A MATURITY OF UNDER 5 YEARS (LOANS FOR FOOD IMPORTS ARE EXEMPTED), AND RESTRICT THE CONTRACTION OF OTHER LOANS WITH A MATURITY OF LESS THAN 15 YEARS. ACCORDING TO IMF STAFF, THE $300 MILLION COMMERCIAL LOAN WOULD BE PROHIBITED IN THE NEW STANDBY AS NOW DRAFTED.

PAKISTAN WAS DISAPPOINTED BY THE RESULTS OF THE JUNE MEETING OF THE IBRD AID-CONSORTIUM, PARTICULARLY ON THE CONSORTIUM CREDITOR POSITION THAT PAKISTAN'S IMPROVED PAYMENTS OBVIATED THE NEED FOR DEBT RELIEF AT THIS TIME. THE GOP SEES ITSELF ON THE THRESHOLD OF REQUIRING CONSIDERABLE FOREIGN EXCHANGE TO COVER UNEXPECTEDLY HEAVY IMPORTS--APPROXIMATELY TWO MILLION TONS OF WHEAT -- OVER THE NEXT 12 MONTHS. (CONSORTIUM CREDITORS RECOGNIZED THE UNCERTAINTIES IN PAKISTAN'S PAYMENTS POSITION AND PROMISED TO KEEP THE NEED FOR DEBT RELIEF UNDER REVIEW.) THE GOP HAS ADVISED THE IMF THAT IT IS UNDERTAKING A REVIEW OF ITS INTENDED STANDBY COMMITMENTS IN ORDER TO MAKE WHATEVER ADJUSTMENTS MAY BE NECESSARY GIVEN THE OUTCOME OF THE CONSORTIUM MEETING. IT IS POSSIBLE THAT THE GOP MAY CONCLUDE THAT THE IDEA OF THE $300 MILLION LOAN SHOULD BE RESURRECTED. THE PRIVATE BANKS, HOWEVER, BELIEVE THE ISSUE TO BE DEAD AND WILL NOT SHOW ANY ENTHUSIASM FOR THE IDEA UNTIL SUCH TIME AS IRANIAN INTENTIONS CLARIFY.

PAKISTAN'S ECONOMIC SITUATION AND PROSPECTS DO NOT JUSTIFY ANY SUBSTANTIAL ACCUMULATION OF COMMERCIAL DEBT. IT IS CLEARLY AN ECONOMY WHICH SHOULD RELY ON CONCESSIONAL ASSISTANCE TO THE MAXIMUM EXTENT POSSIBLE. THE ONLY POTENTIAL BENEFITS OF A COMMERCIAL LOAN AT THIS TIME WOULD BE IF IT WAS USED EITHER TO PAY OFF OUTSTANDING SHORT-TERM DEBT OR TO SUBSTITUTE FOR THE HARDER-TERM LOANS (SUCH AS CCC) WHICH THE GOP MAY UNDERTAKE. IN ANY CASE, PAKISTAN'S AT LEAST TEMPORARILY IMPROVED PAYMENTS POSITION AND IMF EFFORTS TO RESTRICT RELIANCE ON COMMERCIAL BORROWING ARGUE STRONGLY AGAINST ANY USG EFFORTS TO ENCOURAGE IRANIAN PARTICIPATION IN THE LOAN AT THIS TIME.

OTE: THE FIRST INSTALLMENT ($85 MILLION) ON A $580 MILLION 1974 IRANIAN LOAN TO PAKISTAN WAS SUSPENDED (BUT NOT CANCELLED) BY IRAN. IT WAS ALSO EXPECTED THAT THE SECOND PAYMENT (ALSO $85 MILLION) DUE JUNE 30, 1978, WOULD ALSO BE SUSPENDED. THE IRANIANS HOPED THE IBRD CONSORTIUM CREDITORS WOULD AGREE TO DEBT RELIEF AT LAST JUNE'S MEETING, AND IT IS NOT CLEAR IF ADDITIONAL PAYMENTS TO IRAN WILL BE SUSPENDED IN THE ABSENCE OF SIMILAR RELIEF BY CONSORTIUM CREDITORS. (PAKISTAN'S DEBT TO CONSORTIUM CREDITORS HAS BEEN EXTNEDED ON MUCH MORE CONCESSIONAL TERMS THAN PAKISTAN'S DEBT TO IRAN. AS OF JUNE 30, 1977, PAKISTAN'S DEBT TO CONSORTIUM CREDITORS HAD A GRANT ELEMENT OF 61 PERCENT WITH THE GRANT ELEMENT ON DEBT OWED TO THE USG AT 64 PERCENT. IN CONTRAST, THE GRANT ELEMENT ON IRANIAN LOANS WAS ONLY 32 PERCENT.)

SOME REPORTS SHOW THE INSTALLMENTS AT $58 MILLION RATHER THAN $85 MILLION. VANCE
BT
#2804

C O N F I D E N T I A L

SECRET

UNNKVV ESB076BRA226
RR RUQMHR
DE RUFNPS #2584 1991551
ZNY SSSSS ZZH
R 181540Z JUL 78
FM AMEMBASSY PARIS
TO RUFHC/SECSTATE WASHDC 4921
INFO RUSBQD/AMEMBASSY ISLAMABAD 1653
RUQMHR/AMEMBASSY TEHRAN 3651
BT
S E C R E T PARIS 22584

EXDIS

EXDIS

FOR INR--BOWDLER, SAUNDERS, GERRY SMITH, ETC. FROM ART HARTMAN

E.O. 11652: GDS
TAGS: PEPR MNUC TECH MILI PK FR US
SUBJECT: DEPT. OF HIGHER INTELLIGENCE--PAKISTAN REPROCESSING DIVISION
REF: ISLAMABAD 6960 AND STATE 173666

OH YE OF LITTLE FAITH, I WOULD APPRECIATE SOME DAY (AT YOUR SUMMER LEISURE) AN ACCOUNT OF WHAT MYSTERIOUS SIGNS IN THE ENTRAILS LED YOU ALL TO CONCLUDE AT THE LAST MINUTE THAT THE FRENCH WOULD NOT DO IT. I REALIZE THAT A HIGH-MINDED FRENCHMAN WITH IDEALISTIC CONCERNS FOR HUMANITY IS NOT EVERYBODY'S IMAGE OF M. DUPONT. BUT IS OUR INTELLIGENCE BASED SOLELY ON IMAGES?
HARTMAN
BT
#2584

ACTION: DCM2
INFO: AMB POL DUMMY CHRON R1

SECRET

CONFIDENTIAL

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R 041435Z AUG 78
FM AMEMBASSY MOSCOW
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INFO RUMJGM/AMEMBASSY COLOMBO 0204
RUMJDK/AMEMBASSY DACCA 0283
RUHQHQA/CINCPAC HONOLULU HI
RUSBQD/AMEMBASSY ISLAMABAD 0831
RUSBLK/AMEMBASSY KABUL 0354
RUSBKR/AMCONSUL KARACHI 0069
RUMJHT/AMEMBASSY KATHMANDU 0151
RUSBQD/AMCONSUL LAHORE 0021
RUSBAK/AMEMBASSY NEW DELHI 1197
RUQMER/AMEMBASSY TEHRAN 0646
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C O N F I D E N T I A L MOSCOW 18401

ACTION:
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E.O. 11652: XGDS-1
TAGS: UR, PK
SUBJECT: ISHAQ KHAN/AGHA SHAHI VISIT TO MOSCOW

REF: MOSCOW 6105

SUMMARY: PAKISTAN EMBOFF STATES THAT ISHAQ KHAN/ AGHA SHAHI VISIT TO MOSCOW SUCCEEDED IN DRAWING SOVIET SUPPLEMENTARY AID FOR KARACHI STEEL MILL. HE DESCRIBES THIS AS ANOTHER POSITIVE SOVIET "GESTURE" TOWARD PAKISTAN, PERHAPS INDUCED BY SOVIET DESIRE TO MOLLIFY PAK CONCERNS OVER SOVIET INTENTIONS IN AFGHANISTAN OR SOVIET CONCERNS ABOUT RECENT RIGHTWARD DRIFT IN MANY SOUTH ASIA COUNTRIES, INCLUDING PAKISTAN, INDIA, BANGLADESH AND SRI LANKA. END SUMMARY.

1. PAKISTAN EMBASSY MINISTER KAMAL GAVE EMBOFF FOLLOWING READOUT OF RECENT MOSCOW VISIT OF PAKISTAN MINISTER OF FINANCE, PLANNING AND PROVINCIAL COORDINATION ISHAQ KHAN (ARRIVED JULY 23) AND MINISTER OF STATE FOR FOREIGN AFFAIRS AGHA SHAHI (ARRIVED JULY 26). BOTH DEPARTED MOSCOW ON JULY 28.

2. KAMAL STATED THAT KHAN NEGOTIATIONS CENTERED ON PAK NEED FOR SUPPLEMENTARY SOVIET FINANCING FOR THE SOVIET-AIDED KARACHI STEEL MILL. THE "EXTREMELY

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POOR" SITUATION O[illegible] PAK ECONOMY, KAMAL SAID, LED TO FINANCE M[illegible] DETERMINATION THAT ISLAMABAD CAN NO LONGER PROVIDE FUNDS FOR THE LOCAL COSTS OF THE PROJECT. DURING MOSCOW TALKS, SOVIETS AGREED TO SUPPLEMENTARY AID EQUIVALENT TO ABOUT TWO HUNDRED AND TWENTY MILLION DOLLARS, FORTY PERCENT IN DEBT RELIEF; FORTY PERCENT IN COMMERCIAL LOANS AT FIVE PERCENT INTEREST (KAMAL SAID SOVIETS USUALLY CHARGE SIX PERCENT IN THEIR COMMERCIAL LOANS) TO BE REPAID WITHIN SIX YEARS; AND TWENTY PERCENT TO BE DRAWN FROM UNUSED SOVIET CREDITS PROVIDED TO PAKISTAN IN THE PAST. HE CHARACTERIZED AS "IMPORTANT" SOVIETS AGREEMENT TO IMPORT PRODUCTION FROM STEEL MILL IN EXCESS OF PAKISTAN'S NEEDS, WHICH WOULD BE MARKED UP TOWARD REPAYMENT OF SOVIET LOANS.

3. KAMAL SAID AGHA SHAHI HELD SIX HOURS OF TALKS WITH DEPUTY FOREIGN MINISTER YAKOV MALIK. SHAHI DID MOST OF THE TALKING, PRESENTING THE PAK PERSPECTIVE OF REGIONAL AND INTERNATIONAL ISSUES. MALIK LISTENED BUT WAS NON-COMMITTAL RE SOVIET POSITIONS OR INTENTIONS.

4. KAMAL SAID SOVIET AGREEMENT TO (A) ACCEDE TO FIRST PAK MINISTERIAL VISIT TO MOSCOW SINCE BHUTTO'S FALL, AND (B) PROVIDE SUPPLEMENTARY AID TO KARACHI STEEL MILL, CONSTITUTES FURTHER POSITIVE SOVIET "GESTURE" TOWARD PAKISTAN. HE DESCRIBED OTHER RECENT SOVIET "GESTURES" AS MARCH SOVIET-PAK TRADE ACCORD (REPTEL) AND SOVIET WILLINGNESS TO ASSIST WITH CONSTRUCTION OF A POWER PLANT (PRESUMABLY GUNDU THERMAL POWER STATION GENERATOR).

5. IN RESPONSE TO A QUESTION, KAMAL SPECULATED THAT SOVIET GESTURES COULD BE BASED ON MOSCOW'S GENERAL CONCERNS ABOUT THE RIGHTWARD DRIFT IN A NUMBER OF SOUTH ASIAN COUNTRIES, INCLUDING INDIA, PAKISTAN, BANGLADESH AND SRI LANKA. THIS CONCERN MAY BE REINFORCED BY THE GROWING ASSERTIVENESS IN THE REGION OF CONSERVATIVE MUSLIM GROUPS, SUCH AS THE MUSLIM BROTHERHOOD. KAMAL REMARKED FURTHER THAT THE SOVIETS MAY CONSIDER THEIR GESTURE ON SUPPLEMENTARY AID FOR THE STEEL MILL AS POSSIBLY MOLLIFYING PAK WORRIES REGARDING SOVIET INTENTIONS IN SOUTH ASIA FOLLOWING THE AFGHAN COUP. TOON

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RUFHOL/AMEMBASSY BONN 0358
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C O N F I D E N T I A L PARIS 28319

25 Aug 78 02 37z
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ACTION ECON 5
INFO AMB DCM POL 2 EM OR ADM ICA AGR CHU 2 M 1

E.O. 11652: GDS
TAGS: MNUC, TECH, PK, FR, US, GW
SUBJECT: SURFACING OF FRENCH-PAKISTAN REPROCESSING ISSUE

1. FIRST DAY'S FRENCH PRESS COVERAGE OF THE EXCHANGE OF CORRESPONDENCE BETWEEN ZIA AND GISCARD IS PROVEN POSITIVE FROM THE FRENCH (AND US POINT OF VIEW. BOTH LE MONDE AND LE FIGARO EMPHASIZED THE NON-PROLIFERATION VALUE OF THE FRENCH DECISION TO SEEK A RENEGOTIATION OF THE CONTRACT. FIGARO AUGUST 24 FRONT PAGE HEADLINE PROCLAIMED: "GISCARD TAKES ANOTHER STEP ON BEHALF OF NUCLEAR NON-PROLIFERATION." LE MONDE FRONT PAGE EDITORIAL SAME DAY SAID THAT ZIA'S STATEMENT SEEMS TO MARK THE END OF A LONG HISTORY; LE MONDE CALLED THE DENOUEMENT A "VICTORY FOR GOOD SENSE." BOTH PAPERS HINTED BROADLY THAT THE ONLY REASON PAKISTAN WANTED TO CONTINUE WITH THE REPROCESSING DEAL WAS TO BUILD A PLANT PRODUCING PURE PLUTONIUM USEABLE FOR MILITARY PURPOSES.

2. THE ELYSEE ON THE EVENING OF AUGUST 23 STRESSED THAT:

-- THE PURPOSE OF GISCARD'S LETTER TO ZIA WAS TO PROPOSE TO PAKISTAN THE EXAMINATION OF A WAY TO RECONCILE NONPROLIFERATION IMPERATIVES WITH THE FULFILLMENT OF THE 1976 CONTRACT;

-- THE FRENCH DESIRE TO OPEN NEGOTIATIONS FOR A REVISION OF THE CONTRACT;

-- FRANCE HAS OFFERED A PROLIFERATION-FREE CO-PROCESSING ALTERNATIVE AND BELIEVES IT POSSIBLE TO RECONCILE NONPROLIFERATION WITH THE RIGHT OF ALL COUNTRIES TO PEACEFUL NUCLEAR TECHNOLOGY.

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3. WITH REGARD TO THE US, FRENCH PRESS ACCOUNTS DID NOT LEAN HEAVILY ON REFERENCES TO ANY US PRESSURE ON FRANCE. FIGARO NOTED THAT FRENCH NONPROLIFERATION POLICY HAD BEEN DECLARED IN 1976, BEFORE PRESIDENT CARTER'S TEAM OF OFFICE HAD BEGUN. LE MONDE REFERRED TO US "CONCERN" OVER THE DEAL AND TO US PRESSURE ON PAKISTAN (BUT NOT ON FRANCE). LE MONDE ADDED THAT THE POSITIONS OF PARIS AND WASHINGTON ON NONPROLIFERATION ARE GRADUALLY BECOMING CLOSER. IT ALSO NOTED THAT THE END OF THE FRENCH-PAKISTAN AFFAIR RISKED REVIVING THE PARALLEL DISPUTE BETWEEN WASHINGTON AND BONN OVER THE FRG REPROCESSING AGREEMENT WITH BRAZIL.

4. WE EXPECT AT SOME POINT SNIPING AGAINST THE FRENCH GOVERNMENT FROM THE GAULLISTS. BUT IT IS LIKELY THAT GISCARD WILL HAVE LITTLE PROBLEM WEATHERING IT. THE FACT THAT THE AFFAIR HAS BROKEN DURING THE AUGUST HOLIDAYS WILL HELP. IT IS ALREADY ENCOURAGING THAT FIGARO, A DAILY WITH GAULLIST TENDENCIES, HAS CAST THE FRENCH DECISION IN A FAVORABLE LIGHT. IT IS ANOTHER QUESTION, OF COURSE, WHETHER THE PAKISTANI GOVERNMENT WILL ACCEPT WITH EQUANIMITY THE OBVIOUSLY OFFICIALLY INSPIRED HINTS IN THE FRENCH PRESS THAT ISLAMABAD WANTED TO USE THE PLANT TO PRODUCE ATOMIC WEAPONS.
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RUSBLK/AMEMBASSY KABUL 8260
RUDTC/AMEMBASSY LONDON 3410
RUEHMO/AMEMBASSY MOSCOW 1181
RUSBAE/AMEMBASSY NEW DELHI 8634
RUFNPS/AMEMBASSY PARIS 2394
RUQMHR/AMEMBASSY TEHRAN 4724
RUSBKR/AMCONSUL KARACHI 5809
ZEN/AMCONSUL LAHORE 5438
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C O N F I D E N T I A L SECTION 1 OF 3 ISLAMABAD 8524

CINCPAC FOR POLAD

EO 11652: GDS
TAGS: MNUC PEPR PARM PK US FR
SUBJ: PRESS AND GOP REACTIONS TO REPROCESSING DEAL CANCELLATION SURPRISINGLY MILD

REF: (A) ISLAMABAD 8280 (B) ISLAMABAD 8318 (C) STATE 214621 (D) STATE 215058 (E) STATE 215950

1. SUMMARY: PAKISTANI REACTION TO THE FRENCH DECISION TO CANCEL ITS REPROCESSING PLANT CONTRACT WITH PAKISTAN -- AND TO THE ALLEGED AMERICAN PRESSURES INSTRUMENTAL IN EFFECTING THE FRENCH ACTION -- HAVE BEEN SURPRISINGLY MILD SO FAR. OFFICIAL REACTION TO THE (NEVER FULLY ACKNOWLEDGED) CANCELLATION HAS BEEN LIMITED TO REMARKS BY CMLA GENERAL ZIA DELIVERED TO A PRESS CONFERENCE ON AUGUST 23 (REF B) AND SOME PORTIONS OF A LONG SPEECH ON THE SUBJECT OF NUCLEAR NON-PROLIFERATION DELIVERED BY FOREIGN AFFAIRS ADVISOR AGHA SHAHI ON AUGUST 29.

THE EMBASSY HAS LEARNED THAT AN OFFICIAL GOP POSITION STATEMENT IS IN PREPARATION AT THIS TIME BUT WE HAVE NO REASON TO BELIEVE IT WILL NECESSARILY TAKE A MORE ABRASIVE OR COMBATIVE LINE THAN WE HAVE SO FAR SEEN.

PRIVATE SECTOR COMMENT REPRESENTED BY INDEPENDENT PRESS ARTICLES AND EDITORIAL COMMENT HAS RANGED FROM VIRULENT CONDEMNATION OF US AND FRENCH MEDDLING TO BLASE DISINTEREST IN THE WHOLE MATTER. THE OFFICIALLY-INSPIRED (IF NOT CONTROLLED) PRESS HAS TENDED TO EMPHASIZE THE SORROWFUL ASPECTS OF PAKISTAN'S ABANDONMENT BY HER FORMER GREAT FRIEND (THE US) RATHER THAN ANY ANGRY DENUNCIATIONS

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OF OUR SUSPECTED ROLE IN THE MATTER. ALL SECTORS OF THE PRESS HAVE TENDED TO PORTRAY THE PAKISTANI NATION -- HAVING BEEN GRIEVOUSLY MISTREATED BY THE GREAT POWERS -- CARRYING ON NONETHELESS WITH NUCLEAR DEVELOPMENT. NO OFFICIAL MENTION IS MADE, HOWEVER, OF ANY INTENTIONS TO PROCEED WITH ATTEMPTS TO OBTAIN A NUCLEAR REPROCESSING CAPACITY. END SUMMARY.

2. THE EMBASSY HAS BEEN WATCHING CLOSELY THE REACTION IN THE PAKISTANI PRESS AS WELL AS IN OFFICIAL CIRCLES TO THE FRENCH DECISION TO CANCEL THE REPROCESSING PLANT CONTRACT. SO FAR THE REACTIONS FROM ALL SECTORS -- PUBLIC AND PRIVATE -- HAVE BEEN SURPRISINGLY LOW-KEY. OFFICIAL GOP PUBLIC STATEMENTS ON THE CANCELLATION HAVE CONSISTED OF CMLA GENERAL ZIA'S PRESS CONFERENCE OF AUGUST 23 (REPORTED REF B) AND A SPEECH DELIVERED AUGUST 2 BY FOREIGN AFFAIRS ADVISOR AGHA SHAHI TO THE PAKISTAN ASSOCIATION OF WORLD FEDERALISTS. IN NEITHER OF THESE OFFICIAL PRONOUNCEMENTS IS THERE AN INDICATION THAT PAKISTAN INTENDS TO "GO IT ALONE" ON REPROCESSING OR TO OBTAIN THE TECHNOLOGY FROM OTHER EXTERNAL SOURCES.

3. THE CMLA'S SATEMENT. GENERAL ZIA, IN RESPONSE TO ONE QUESZION IN THE AUGUST 23 PRESS CONFERENCE CONCERNING POSSIBLE PRC REPROCESSING AID, SAID THAT PAKISTAN HAD CONTACTED NO OTHER EXTERNAL SOURCES TO INQUIRE ABOUT OBTAINING THE TECHNOLOGY. IN ANSWER TO ANOTHER DIRECT QUESTION AS TO WHETHER PAKISTAN WOULD GIVE UP THE IDEA OF EVENTUALLY GETTING REPROCESSING, GENERAL ZIA OBFUSCATED THE ISSUE IN A LONG ANSWER WHICH INCLUDED THE STATEMENT: "PAKISTAN HAS MADE A RESOLVE...THAT IT WILL NOT STAY BEHIND IN THE FIELD OF NUCLEAR TECHNOLOGY. PAKISTAN HAS ALSO GIVEN ASSURANCE ON THE INTERNATIONAL PLANE THAT WE ARE AGAINST NUCLEAR PROLIFERATION -- MISMANAGEMENT OF NUCLEAR ENERGY."

--ALTHOUGH WE HAVE BEEN UNABLE TO OBTAIN A VERBATIM TRANSCRIPT OF THE CMLA'S AUGUST 23 REMARKS (AND SUSPECT THE GOP HAS ORDERED NO SUCH TRANSCRIPTS BE DISTRIBUTED) OUR TRANSLATIONS OF PARTIAL REPORTS INDICATE ZIA MENTIONED THREE TIMES PAKISTANI INTENTIONS TO PROCEED WITH NUCLEAR DEVELOPMENT WITHOUT SPECIFIC MENTION OF REPROCESSING TECHNOLOGY.

--NEITHER WAS THERE IN THE AUGUST 23 PRESS CONFERENCE ANY DIRECT CONDEMNATION OF THE US FOR UNTOWARD PRESSURE ON FRANCE.

4. AGHA SHAHI'S SPEECH. THE ONLY OTHER OFFICIAL PRONOUNCEMENT WE HAVE NOTED IS THAT OF FOREIGN AFFAIRS ADVISOR AGHA SHAHI ON AUGUST 29. SHAHI, SPEAKING AT KARACHI TO THE PAKISTAN ASSOCIATION OF WORLD FEDERALISTS, DELIVERED A WIDE-RANGING POLICY STATEMENT ON NON-PROLIFERATION, WEAPONS TRANSFERS, AND NUCLEAR-FREE ZONES. HE MENTIONED WITH SOME HEAT THE PERFIDY OF "SOME OF THE NUCLEAR SUPPLIER STATES AND THEIR ALLIES (WHO) PREVENT THE TRANSFER OF NUCLEAR TECHNOLOGY FOR PEACEFUL PURPOSES TO THIRD WORLD NATIONS..." AGHA SHAHI ASSURED HIS AUDIENCE OF PAKISTAN'S COMMITMENT TO NON-PROLIFERATION PRINCIPLES AND COMPLETE SUBSCRIPTION TO INTERNATIONAL SAFEGUARDS. HE THEN REGRETTED SOME MAJOR POWERS' BLIND SPOTS IN NOT APPLYING THEIR NON-PROLIFERATION ST

C O N F I D E N T I A L SECTION 2 OF 3 ISLAMABAD 8524

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POLICIES EVENLY TO ALL COUNTRIES (CITING SOUTH AFRICA AND ISRAEL).

--AGHA SHAHI SPENT THE LION'S SHARE OF HIS SPEECH OUTLINING PAKISTAN'S EFFORTS IN ALL AREAS OF NON-PROLIFERATION: INDIAN OCEAN NUCLEAR FREE AREA; SPONSORSHIP OF UN PROPOSALS FOR INTERNATIONAL PEACEFUL NUCLEAR ENERGY SHARING; AND EFFORTS FOR LIMITATIONS ON CONVENTIONAL WEAPONS. THE ADVISOR USED DAMNING STATISTICS (EG: MORE SPENT ON ONE WING OF FIGHTER AIRCRAFT THAN WORLD HEALTH ORGANIZATION SPENT IN TEN YEARS ON FIGHTING MALARIA) TO ARGUE AGAINST THE WORLD'S SPIRALING ARMS RACE AND PROMISED PAKISTAN INTENDS TO SPEND ITS LIMITED RESOURCES FOR MORE CONSTRUCTIVE PURPOSES.

5. OFFICIAL STATEMENT FORTHCOMING. THE EMBASSY HAS LEARNED FROM RELIABLE SOURCES THAT THE GOP IS PRESENTLY PREPARING AN OFFICIAL STATEMENT ON THE REPROCESSING ISSUE. OUR INFORMATION IS THAT ADVISOR AGHA SHAHI, FONSEC SHAHNAWAZ AND ADDITIONAL SECRETARY NIAZ NAIK ALL DEMURRED WHEN ASKED TO DRAFT THE STATEMENT. THE AUTHORSHIP NOW WILL FALL TO MUNIR AKRAM, DIRECTOR OF UN AFFAIRS IN THE MFA. WE HAVE NO INFORMATION AS TO WHEN WE MAY EXPECT THE RELEASE OF THE OFFICIAL STATEMENT.

6. SEMI-OFFICIAL REACTION. PRESS REACTION TO THE REPROCESSING PLANT CANCELLATION CAN BE DIVIDED INTO TWO GENERAL CATEGORIES. THE MORE IMPORTANT OF THE TWO IS THE "SEMI-OFFICIAL" VIEW AS ARTICULATED BY THE GOP CONTROLLED NATIONAL PRESS TRUST (NPT) PAPERS. LED BY THE DAILY "PAKISTAN TIMES," THE NPT POSITION HAS REMAINED MODERATE, AVOIDING ANY SHRILL OUTCRY. IN AN AUGUST 26 EDITORIAL THE "TIMES" CLEARS UP ANY LINGERING DOUBT AS TO THE TRUE NATURE OF PRESIDENT GISCARD'S LETTER TO ZIA IN STATING "...DIPLOMATIC NICETIES AND AMBIGUITIES APART, IT (THE LETTER) EFFECT MEANS THAT PARIS HAS GONE BACK ON ITS EARLIER COMMITMENT." THE SAME EDITORIAL LAMENTS FRENCH "KNUCKLING UNDER (TO) AMERICAN PRESSURE."

--THE "TIMES" AND OTHER TRUST PAPERS HAVE CONSPICUOUSLY AVOIDED HARSH CRITICISM OF FRANCE OR THE US AND HAVE MADE NO MENTION OF RETALIATORY ACTIONS ON THE PART OF THE GOP.

7. INDEPENDENT PRESS REACTION. THE INDEPENDENT PRESS IN PAKISTAN REPRESENTS A BROAD RANGE OF POLITICAL, CULTURAL AND ECONOMIC INTERESTS BUT HAS BEEN FAIRLY UNANIMOUS IN CONDEMNING THE FRENCH CANCELLATION. THE BITTERNESS AND ZEAL WITH WHICH THEY CRITICIZED HOWEVER, VARIES GREATLY. MOST OF THE MIDDLE-OF-THE-ROAD PUBLICATIONS HAVE EXHIBITED A "HO-HUM" ATTITUDE TO THE CANCELLATION -- OFTEN INTIMATING THAT THEY "KNEW IT WAS GOING TO HAPPEN."

--THE FAR RIGHT AND GENERALLY TRADITIONALIST MUSLIM INTEREST PUBLICATIONS TENDED TO UNDERLINE THE ANTI-ISLAM, PRO-ISRAEL ASPECT OF THE CANCELLATION. EVEN THIS CRY, HOWEVER, WAS LESS THAN SHRILL.

--THE MOST AGGRESSIVE CRITICS OF HE DECISION -- AND OF US/FRENCH COLLUSION -- WERE THE LEFT-WING PAPERS, MANY OF WHICH ARE STAUNCH SUPPORTERS OF FORMER PRIME MINISTER BHUTTO. THE EXECUTIVE COMMITTEE OF BHUTTO'S PEOPLES PARTY (PPP) RESOLVED AUGUST 27 TO CALL ON THE GOLA TO EXPOSE ALL THE DETAILS OF THE REPROCESSING CONTRACT. THE RESOLUTION CALLS ON THE GOLA TO PUBLISH THE DOCUMENTS RELATING TO BHUTTO'S DISCUSSIONS AS WELL AS GENERAL ZIA'S DEALINGS WITH AMERICAN SECRETARIES OF STATE AND AMBASSADORS REGARDING THE PLANT. THIS RESOLUTION HAS RECEIVED MODERATE ATTENTION FROM THE PRESS BEING MOST WIDELY TOUTED IN THE PRO-PPP PAPERS.

8. COMMENT: WE NEVER EXPECTED MOBS FORMING AT THE GATES OF THE EMBASSY COMPOUND IN RESPONSE TO SUSPECTED US COLLUSION IN THE FRENCH CANCELLATION -- BUT NEITHER DID WE EXPECT QUITE THE ANTI-CLIMAX WE HAVE SEEN. THE VARIOUS ELEMENTS OF THE PRIVATE SECTOR HAVE REACTED IN KNEE-JERK FASHION AND THE GOP HAS MADE ONLY PASSING REFERENCE TO THE INCIDENT IN OFFICIAL STATEMENTS. THE US AND FRANCE (AS WELL AS GENERAL ZIA) HAVE BEEN MILDLY TAKEN TO TASK BY CRITICS OF THE PRESENT MARTIAL LAW ADMINISTRATION BUT NONE OF US HAS TAKEN A PUNISHING BEATING ON THIS ISSUE. IN PART, THE GENERAL MILDNESS OF THE REACTION REFLECTS THE ANTI-CLIMACTIC NATURE OF THE ANNOUNCEMENT, AS WELL AS THE FACT THAT SOME OF THE VENOM WAS DRAWN OFF IN THE EARLIER ROUND OF REACTION TO THE SUSPENSION OF AMERICAN AID. WE WERE ALSO LUCKY THAT ZIA BROKE THE NEWS WHILE HE WAS ANNOUNCING HIS NEW CABINET.

C O N F I D E N T I A L SECTION 3 OF 3 ISLAMABAD 8524

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OUR PRIVATE CONVERSATIONS WITH GOP OFFICIALS INDICATE THE MLA IS MOVING SLOWLY AND CAUTIOUSLY ON A RESPONSE TO THE FRENCH CANCELLATION. HAVING LET THE INITIAL HEAT PASS WITH VIRTUALLY NO REACTION, THE MLA CAN NOW MAKE ITS RESPONSE MEASURED AND THOUGHTFUL. THE GOP LEADERSHIP KNOWS WELL THE INTERNATIONAL IMPLICATIONS OF WHATEVER THEY SAY AND CAN BE EXPECTED TO FRAME ANY OFFICIAL ANNOUNCEMENT WITH FULL KNOWLEDGE OF THE POSSIBLE CONSEQUENCES.

THE INFORMATION THAT THE OFFICIAL POSITION PAPER IS BEING DRAFTED BY A MIDDLE-LEVEL OFFICIAL -- WELL KNOWN TO US AS A COMPETENT AND POLISHED DIPLOMAT -- ALSO BODES WELL FOR A MODERATE RESPONSE. IT SEEMS TO US UNLIKELY IN THE EXTREME THAT IF GENERAL ZIA WISHED TO MAKE A FLAMING DENUNCIATION OF FRENCH VENALITY AND US MEDDLING HE WOULD HAVE WAITED THIS LONG. ON THE OTHER HAND, WE DO NOT EXPECT THE OFFICIAL STATEMENT TO BE A TOTAL AND DEFINITIVE RENUNCIATION OF REPROCESSING AS AN EVENTUAL GOAL IN PAKISTAN'S AMBITIOUS NUCLEAR DEVELOPMENT PLANS. THE REPROCESSING ISSUE, AND THE ROLE OF THE USG IN IT, WILL LONG BE A POLITICAL FOOTBALL IN PAKISTAN AND WILL CERTAINLY COLOR THE WAY PAKISTANI GOVERNMENTS VIEW THEIR RELATIONS WITH THE US. BUT IT COULD HAVE BEEN A LOT WORSE. HUMMEL BT

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RUFHRO/AMEMBASSY ROME 545
RUQMHR/AMEMBASSY TEHRAN 4758
BT
C O N F I D E N T I A L ISLAMABAD 9069

E.O. 11652: GDS
TAGS: PARM, PK, IT
SUBJECT: PAKISTANI NUCLEAR CHIEF VISIT TO ITALY

1. DURING CALL ON ITALIAN EMBASSY COLLEAGUE, EMBASSY POLOFF LEARNED THAT MUNIR KHAN, HEAD OF PAK ATOMIC ENERGY COMMISSION (PAEC), WAS ISSUED VISITORS VISA TO VISIT ITALY SEPTEMBER 13. MUNIR TOLD ITALIANS HE IS GOING ON "SHOPPING TRIP" FOR NUCLEAR COOPERATION.

2. MUNIR WAS EVASIVE AS TO WHOM HE INTENDS TO SEE IN ITALY, BUT EMBASSY HERE ASSUMES HE WILL VISIT PARASTATAL ENERGY ORGANIZATIONS AND, PERHAPS, PRIVATE FIRMS. THIS IS ONLY GUESS ON PART OF INFORMANT HOWEVER.

3. MUNIR KHAN WAS INITIALLY ISSUED VISA OF LIMITED DURATION, BUT HE RETURNED PASSPORT TO ITALIANS WITH NOTE INDICATING HE NEEDED AT LEAST FOUR-YEAR VALIDITY AS HE INTENDED TO VISIT ITALY REGULARLY FOR THESE OFFICIAL PURPOSES. LONG-TERM VISA WAS ISSUED.

4. NO PUBLIC ANNOUNCEMENT HAS APPEARED ON MUNIR'S TRAVEL.

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RUSBLK/AMEMBASSY KABUL 1737
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C O N F I D E N T I A L PARIS 33281

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E.O. 11652: GDS
TAGS: PEPR, EAID, MASS, MNUC, SHUM, PK, FR
SUBJECT: RESUMPTION OF US AID TO PAKISTAN

REF: A) STATE 253 B) STATE 253478

1. WE BRIEFED JACOMET, MFA NONPROLIFERATION ADVISOR, OCTOBER 6 ON CONTENTS OF REFTEL A. JACOMET WAS VERY GRATEFUL FOR THE DELICACY WITH WHICH THE CONGRESSIONAL CONSULTATIONS WERE HANDLED AND FOR THE FACT THAT IT WAS NOT NECESSARY TO MAKE ANY MENTION OF FRENCH ASSURANCES. HE ALSO SAID THAT IT WAS VERY GOOD THAT THE US HAD MOVED SO QUICKLY TO RESUME AID PROGRAMS, SINCE THIS WOULD INCREASE PAK INCENTIVE NOT TO COMPLETE THE REPROCESSING PLANT.

2. WITH REFERENCE TO PAKISTAN INTENTIONS, JACOMET SAYS HE UNDERSTANDS THAT THE PAKS HAVE NOT HAD A POSITIVE RECEPTION IN THEIR EFFORTS TO ACQUIRE EQUIPMENT FOR THE REPROCESSING PLANT FROM SEVERAL WESTERN EUROPEAN COUNTRIES AND JAPAN. HE ALSO TELLS US, ON A VERY CONFIDENTIAL BASIS, THAT THE FRENCH TECHNICIANS REMAINING AT THE PLANT HAVE ADVISED THE GOP THAT IT WILL BE VERY DIFFICULT FOR THE PAKS TO COMPLETE THE PLANT WITHOUT THE EQUIPMENT WHICH THE FRENCH HAVE NOW REFUSED TO SUPPLY.

3. JACOMET SAID THAT ZIA HAS STILL NOT REPLIED TO GISCARD'S LETTER. THE FRENCH UNDERSTAND THAT AGHA SHAHI WILL COME TO PARIS IN THE NEAR FUTURE AND WILL

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BRING WITH HIM ZIA'S RESPONSE.

4. WE CALLED ATTENTION TO PRESS REPORTS OF BHUTTO'S STATEMENT THAT PAKISTAN WAS ON THE VERGE OF NUCLEAR WEAPONS CAPABILITY THROUGH THE PURCHASE OF THE FRENCH PLANT WHEN HE WAS OVERTHROWN LAST YEAR (REFTEL B). JACOMET HAD ALREADY SEEN THE STORY, AND SAID THAT, AS FURTHER PROOF OF PAKISTAN'S INTENTION TO BUILD NUCLEAR WEAPONS, IT WOULD MAKE THINGS EASIER FOR THE FRENCH GOVERNMENT TO DEAL WITH ANY DOMESTIC PROBLEMS ARISING FROM THE CANCELLATION OF THE DEAL.
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INFO RUSBQD/AMEMBASSY ISLAMABAD 1762
RUSBAE/AMEMBASSY NEW DELHI 2218
RUQMER/AMEMBASSY TEHRAN 3809
RUSBLK/AMEMBASSY KABUL 1757
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C O N F I D E N T I A L PARIS 34818

EXDIS

EXDIS

E. O. 11652: GDS
TAGS: MNUC, PARM, TECH, PK
SUBJECT: PAKISTAN AMBASSADOR TO FRANCE HARD-LINES ON REPROCESSING PLANT

1. PAKISTANI AMBASSADOR IQBAL AHMED AKHUND (PLEASE PROTECT SOURCE) TOLD ME THE OTHER DAY THAT PAKISTAN HAS EVERY INTENTION OF FINISHING THE REPROCESSING PLANT ON ITS OWN. HE SAID IT WOULD TAK LONGER THAN IF FRANCE HELPED, BUT THE GOP WAS DETERMINED TO GO AHEAD. HE ASSERTED THAT PAKISTANI COMPLETION OF THE PLANT WAS NOT CONTRARY TO US LAW (I.E. THAT THE GLENN AMENDMENT APPLIES ONLY TO TRANSFERS OF EQUIPMENT, MATERIALS, OR TECHNOLOGY BETWEEN COUNTRIES). HE CONTINUED THAT THE US WAS MESMERIZED BY THE NON-PROLIFERATION ISSUE AND WAS NOT TAKING A BALANCED VIEW OF THINGS. HE VIRTUALLY ADMITTED THE THE PURPOSE OF THE PLANT WAS MILITARY — TO GIVE THE PAKISTANI PEOPLE, INDIANS, AND OTHERS A PERCEPTION OF A PAKISTANI MILITARY CAPABILITY. BUT HE ALSO VIGOROUSLY JUSTIFIED THE PROGRAM ON OTHER GROUNDS AND INSISTED PAKISTAN UNDERSTANDS NON-PROLIFERATION. IN THE PAKISTANI VIEW, HE SAID, THE INDIAN AND AFGHAN SITUATIONS MANDATED THE NEED FOR A NUCLEAR WEAPONS CAPABILITY. THIS DID NOT MEAN THAT PAKISTAN WOULD EXPLODE A DEVICE; IT MEANT SIMPLY THAT PAKISTAN SHOULD HAVE THE CAPABILITY TO DO SO.

2. IN RESPONSE TO ALL THIS, I ARGUED THAT THE BEST WAY TO ASSURE PAKISTAN'S SECURITY WAS TO MAKE SURE IT HAD FRIENDS. I SAID THAT FOR PAKISTAN TO GO AHEAD WITH THE PLANT WOULD MAKE IT EXTREMELY DIFFICULT

FOR THE US TO MAINTAIN THE KIND OF BILATERAL RELATIONSHIP THAT THE PAKS WOULD WANT FOR THEIR OWN SECURITY. I REPEATED WHAT WE HAVE TOLD THEM IN WASHINGTON, NEW YORK, AND ISLAMABAD ABOUT NOT TAKING THE LETTER OF THE GLENN AMENDMENT AS AN ASSURANCE THAT AID COULD CONTINUE IF PAKISTAN COMPLETED THE PLANT.
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FM AMEMBASSY ISLAMABAD ACTION
TO RUFMPS/AMEMBASSY PARIS 2525 DCM 2
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EXDIS

H.O. 11652; GDS
TAGS: MNUC, PARM, TECH, PK
SUBJECT: PK NUCLEAR INTENTIONS

REF: PARIS 34818

1. I HAVE EMBARKED ON STEP BY STEP SCENARIO DESIGNED GRADUALLY TO EXPOSE TO GOP OUR KNOWLEDGE OF PAK ACTIVITIES/ INTENTIONS IN NUCLEAR FIELD, AND TO IMPRESS ON PAKS THE DANGERS AND PENALTIES OF PROCEEDING DOWN THAT ROAD.

2. YOURTEL ASKS THAT WE PROTECT AMB AKHUND AS THE SOURCE. IT COULD TURN OUT LATTER ON TO BE HELPFUL, BUT NOT VITAL, IF I WERE FREE TO CITE AKHUND'S STATEMENTS TO YOU IN MY PRIVATE, HIGH LEVEL DISCUSSIONS HERE. WHAT DO YOU THINK?

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FM AMEMBASSY ISLAMABAD
TO RUEHC/SECSTATE WASHDC PRIORITY 520
INFO RUSBKR/AMCONSUL KARACHI 6919
RUSBAE/AMEMBASSY NEW DELHI 009
RUFNPS/AMEMBASY PARIS 2659
RUQMHR/AMEMBASSY TEHRAN 4976
RUHQHQA/CINCPAC HONOLULU HI

BT
S E C R E T/NOFORN ISLAMABAD 12497

LIMDIS

E.O. 112065: XGDS 1 (CONSTABLE P.D) OR-M
TAGS: MNUC ENGR TECH PK FR
SUBJECT: (S) DISCUSSION WITH FRENCH OFFICIAL ON NUCLEAR MATTERS

1. JEAN FORLOT, FRENCH EMBASSY FIRST SECRETARY WITH WHOME WE HAVE BEEN HAVING A REGULAR EXCHANGE OF NUCLEAR-RELATED INFORMATION, CALLED ON POLCOUNS 19 DEC TO DISCUSS A NUMBER OF MATTERS, ONE OF WHICH IS THE "VERY STRANGE" CONSTRUCTION WHICH IS PROCEEDING AT A "VERY RAPID PACE" AT KAHUTA, A VILLAGE SOUTHEAST OF ISLAMABAD NOTED MAINLY FOR ITS ROLE AS THE SITE OF A MASSACRE OF HINDUS AT THE TIME OF PARTITION.

2. FORLOT SAID HE HAD LOOKED AT THE SITE, WHICH HE ASSUMES IS NUCLEAR-RELATED, SIX MONTHS AGO, AND IN THE TIME SINCE THEN, 10 BUILDINGS, INCLUDING A VERY LARGE, RECTANGULAR SHED-TYPE BUILDING, HAVE BEEN BEGUN AND PROCEEDED WITH UNCHARACTERISTIC SPEED FOR PAKISTAN. THE AREA IS FENCED, BUT THERE ARE NO SIGNS TO IDENTIFY THE PROJECT. AFTER CHECKING AROUND, FORLOT SAYS THE FRENCH HAVE DISCOVERED A KARACHI COMPANY WHICH HAS THE AIR CONDITIONING CONTRACT FOR THE PLACE, WORTH -- HE SAYS -- MORE THAN $5 MILLION. HE SHOWED POLCOUNS SEVERAL PICTURES HE AND THE AUSTRALIAN DCM TOOK OF THE PLACE (IDENTICAL TO THOSE ALREADY PASSED BY THE AUSTRALIAN TO ANOTHER EMBOFF AND POUCHED TO SRF HEADQUARTERS), AND HE SPECULATED THAT THE INSTILLATION MAY WELL BE AN ENRICHMENT PLANT. THE FRENCH AMBASSADOR SUGGESTED FORLOT SHOW THE PHOTOS TO US BEFORE HE POUCHES THEM OFF TO PARIS FOR ANALYSIS VIA THE FRENCH MILITARY ATTACHE'S CHANNELS.

3. IN RESPONSE TO QUERY, POLCOUNS SAID HE HAD HEARD OF CONSTRUCTION WORK AT KAHUTA BUT INDICATED H S KNOWLEDGE WAS LIMITED ON DETAILS. HE THANKED FORLOT FOR OPPORTUNITY TO SEE THE PHOTOS AND TO LEARN OF HIS OBSERVATIONS.

4. ON THE REPROCESSING PLANT, FORLOT SAID THE LAST OF THE TWO RESIDENT FRENCH TECHNICIANS -- THE CHEMIST -- WILL DEPART ON 2 JAN; HIS COLLEAGUE, WHO WAS A CONSTRUCTION ENGINEER, DEPARTED LAST WEEK. THE ENGINEER SAID HE MIGHT TRY TO COME BACK ON A PRIVATE CONTRACT IF JOB OPPORTUNITIES ARE NOT ATTRACTIVE IN FRANCE. FORLOT DOUBTS THE ENGINEER WILL RETURN, HOWEVER, SINCE HIS WIFE AND FAMILY WERE UNHAPPY HERE AND HAVE VOWED THEY WILL NOT RETURN. THE SUPERVISORY ENGINEER FOR THE PROJECT WHO COMMUTED BETWEEN FRANCE AND PAKISTAN, WAS IN KARACHI LAST MONTH AND IS NOT EXPECTED BACK. THERE REMAINS ONE FRENCH CONSULTANT, RESIDENT IN LAHORE AND NOT AN "ATOMICIAN," BUT RATHER A CONSULTING CONSTRUCTION ENGINEER ON LOAN FROM A FRENCH COMPANY WITH THE INITIALS "S.E.E.E." FORLOT SAID HE HAS BEEN INVOLVED WITH THE PROJECT, OCCASIONALLY CONSULTS ON CONSTRUCTION MATTERS, AND WILL BE APPARENTLY STAYING ON IN PAKISTAN.

5. FORLOT EXPRESSED THE PERSONAL VIEW THAT THE PAKISTANIS WILL ATTEMPT TO GO AHEAD WITH THE PLANT BUT THAT IT WILL TAKE A VERY LONG TIME, AT CONSIDERABLE EXPENSE, TO SHOW ANY RESULTS. FORLOT VOLUNTEERED NOTHING WHEN ASKED, TO THE CONTENT OF PAC CHAIRMAN MUNIR KHAN'S TALKS WITH FRENCH OFFICIALS.

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TO RUEHC/SECSTATE WASHDC Ø83
INFO RUSBLK/AMEMBASSY KABUL 8519
RUSBAE/AMEMBASSY NEW DELHI 99Ø5
RUQMHR/AMEMBASSY TEHRAN 4919
BT
C O N F I D E N T I A L

LIMITED OFFICIAL USE ISLAMABAD 11365

E.O. 11652: N/A
TAGS: EAID, EFIN, PK
SUBJECT: ISLAMIC ECONOMY: EVOLUTION NOT REVOLUTION

REF: ISLAMABAD A-29

ACTION
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1. AT A RECENT PRESS CONFERENCE, PROFESSOR KURSHID AHMAD. FEDERAL MINISTER FOR STATISTICS AND NEW DEPUTY CHAIRMAN OF THE PLANNING COMMISSION, SAID THAT PAKISTAN WILL MOVE TOWARDS AN ISLAMIC ECONOMY IN AN EVOLUTIONARY RATHERNHAN A REVOLUTIONAR MANNER. (PRESIDENT ZIA IS THE CHAIRMAN OF THE PLANNING COMMISSION, BUT THE DEPUTY CHAIRMAN IS THE DAY-BY-DAY HEAD.) KURSHID AHMAD SAID THE GOAL OF AN ISLAMIC ECONOMY IS TO EMPHASIZE THE WELFARE OF THE PEOPLE AS WELL AS, AND IF NECESSARY, AGITHE EXPENSE OF SOME ECONOMIC GROWTH.

2. PROF AHMAD PLANS TO USE PAKISTAN'S FIVE YEAR PLAN, ISSUED BEFORE HE WAS CALLED BACK TO PAKISTAN TO HEAD THE PLANNING COMMISSION AFTER TEN YEARS OF TECHING IN ENGLAND, AS THE FRAMEWORK WITHIN WHICH THE ISLAMIC EVOLUTION WOULD OCCUR. PROFESSOR AHMAD NOTED THAT THERE WERE TWENTY COMMITTEES WITHIN THE PLANNING COMMISSION REVIEWING EACH SECTOR OF THE PLAN AND WORKING OUT GDES OF IMPLEMENTATIION FOR INTEREST FREE BANKING, ZAKAT (ISLAMAIC WEALTH TAX), AND USHER (ISLAMIC AGRICULTURAL PRODUCTION TAX). HE WENT ON TO SAY THAT THERE WAS NO DEADLINE FOR THE INTRODUCTION OF THESE MEASURES BUT IN RESPONSE TO A QUESTION HE INDICATED IT WOULD NOT BE THIS CALENDAR YEAR.

3. REGARDING INTEREST FREE BANKING, PROFESSOR AHMAD SAID PAKISTAN WOULD MOVE SLOWLY TOWARDS AN ECONOMY BASED ON EQUITY FINANCING RAHTHER THAN LOAN FINANCING. THE ABOLITION OF INTEREST WOULD BE IN THREE PHASES: FIRST, ON CONSUMPTION LOANS, INVESTMENT AND INVESTMENT INSTITUTIONS; SECOND ON COMMERCIAL BANKING IN GENERAL; AND FINALLY, ON INTERNATIONAL LOANS. HE EMPHASIZED, HOWEVER, THAT PAKISTAN WOULD HONOR ALL ITS FOREIGN COMMITMENTS.

4. COMMENT: AT THIS TIME PROF AHMAD SEEMS TO BE THE GOP'S SPOKESMAN ON ISLAMIC ECONOMY. HE IS A PROFESSOR OF ECONONIMCS WHO HAS BEEN LECTURING ON ISLAMIC MATTERS IN LEICESTER, ENGLAND FOR THE PAST TEN YEARS. HIS RETURN TO PAKISTAN SEEMS TO COINCIDE WITH THE PRESENT GOVERNMENT'S OFTEN STATED DESIRE TO MAKE PAKISTAN A TRULY ISLAMIC REPUBLIC.

5. IN A SPEECH T AN OECD-EMBASSY ECONOMIC OFFICER'S LUNCHEON EARLIER IN THE WEEK, EH DISCUSSED MANY OF THE POINTS SUBSEQUENTLY RAISED AT THE PRESS CONFERENCE ALTHOUGH IN A MUCH MORE PHILOSOPHICAL AND GENERAL WAY. MANY WHO HAVE SPOKEN TO HIM, REPORT THAT PROF. AHMAD'S COMMITMENT TO NIZAM-I-MUSTAFA. AND PARTICULARLY INTERET FREE BANKING, IS REAL AND DEEP. HE HAS PUBLISHED SEVERAL PAPERS ON THE SUBJECT AND FRANKLY ADMITS THAT THE ADMINISTRATIVE PROBLEMS ASSOCIATED WITH INTEREST FREE BANKING, ZAKAT AND USHER (REF A) WILL BE DIFFICULT TO SURMOUNT ALTHOUGH HE OBVIOUSLY BELIEVES THAT THEY CAN AND WILL BE OVERCOME.

6. WE WILL POUCH COPIES OF PRESS COVERAGE AND AT LEAST ONE OTHER RTICLE WRITTEN BY PROFESSOR HMAD ON ISLAMIC ECONOMY.

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ACTION: SECSTATE WASHDC 4458
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INFO: AMEMBASSY ABU DHABI 012 RUQMBI
AMEMBASSY AMMAN 006 RUEHAM
AMEMBASSY ANKARA 012 RUQMCH
AMEMBASSY ATHENS 018 RUQMAT
USINT BAGHDAD 013 RUEHOR
AMEMBASSY BONN 022 RUFHOL
AMEMBASSY DAMASCUS 006 RUEHDM
AMEMBASSY KABUL 019 RUSBLK
AMEMBASSY KUWAIT 007 RUQMKW
AMEMBASSY LONDON 021 RUDTC
AMEMBASSY MANAMA 017 RUQMAM
AMEMBASSY MOSCOW 030 RUEHMO
AMEMBASSY MUSCAT 010 RUQMMT
AMEMBASSY NEW DELHI 014 RUSBAE
AMEMBASSY PARIS 020 RUFNPS
AMEMBASSY ROME 014 RUEHRO
AMEMBASSY JIDDA 012 RUQMRA

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E.O. 12065: GDS 3/19/85 (TOMSETH, V.L.) OR-P

TAGS: PEPR, MARR, CENTO, ECIN, PINS, PINT, IR, PK, IN

SUBJECT: Iranian-Pakistani Relations, CENTO, and RCD

1. C - entire text.

2. Summary: In a discussion with Pakistan Embassy's Rahim (protect) March 19 Poloff Tomseth went over Agha Shahi visit to Iran last week, Pakistan's withdrawal from CENTO, and Pakistan's position on continuation and possible expansion of he RCD. End Summary.

3. Rahim said that his embassy had seen as early as last summer that the Shah's liberalization program and opposition to him were going to result in a new kind of Iran with which his country would have to deal. They did not

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anticipate that the end of the Pahlavi regime would come about as suddenly as it did, but with the installation of Bakhtiar and the beginnings toward the creation of a parallel government under Bazargan, a denouement along the lines of their own experience in Bangladesh (where Rahman was able to capture a good part of the East Pakistan government apparatus intact) emerged as a distinct possibility. As a consequence, the Embassy had approval in principle from Islamabad for recognition of the Bazargan government when the Doshan Tappeh incident of February 11 unexpectedly precipitated the final collapse of the Pahlavi regime.

4. The Pakistani Embassy is situated directly across the street from the Jamshidieh barracks. When that fell after only a brief engagement about 10:00 a.m. February 12, Rahim was dispatched to Bazargan's headquarters at the Refa School to extend Pakistani recognition to his government. He said he arrived even before Bazargan himself, fully appreciated the fact that he had won. (Indeed, Bazargan frankly admitted to Rahim that he never expected the end to come about as it did.) It was explained to Bazargan that Pakistan viewed its relationship with Iran as fundamentally one of two peoples rather than just one of one government to another. The timeliness of Pakistani recognition, Rahim said, paved the way for Shahi's visit just a few weeks later.

5. As for Pakistan's withdrawal from CENTO, Rahim said that his government and the Bazargan government agreed that the alliance had long since ceased to serve the interests of any of the region's members. On the contrary, continuing membership in the organization, with its associations of Soviet-Western rivalry, carried definite liabilities for Pakistan, particularly as far as its dealings with other developing but non-aligned countries were concerned. Membership, he said, constituted a "red flag" for a number of countries with which Pakistan would otherwise expect to have perfectly friendly relations. As for Pakistan's relationship with the U.S. and U.K., Rahim said that withdrawal from CENTO should not be construed to mean a diminution of his country's interest in close cooperation. Rather, Pakistan had concluded that such cooperation can be most effectively pursued on a bilateral basis.

6. On the question of an expanded RCD, Rahim said that Pakistan agrees with Iran that additional members would be welcomed, but quickly added that his governmant believes that the economies of the member states should be at the approximate same level of development. Pakistan would want to include Afghanistan for "obvious geo-political reasons" although its economy admittedly is much more primitive than those of any of the present RCD

members or other potential members such as Iraq. However, Pakistan would not be prepared to make such a concession in the case of India. The Indian economy, Rahim pointed out, is one of the world's most sophisticated and powerful despite the anomaly of Indian poverty, and, as such, the economies of other members of an association which included India would inevitably be dominated by it.

7. Rahim said that it also does not make sense for Pakistan to be a member of an organization, the objective of which is to foster economic cooperation with India when there are outstanding political differences between the two countries. These differences should be settled first, he said, and then the question of greater economic cooperation can be addressed.

8. Rahim also cautioned the U.S. against relying on the so-called "regional influentials" in developing its security policies. It would be foolish to deny that India is a powerful country, he said, but forcing India's neighbors into associations with it which they do not want will not result in regional stability. India cannot play the role of regional policeman without the cooperation of all the region's countries, and the U.S. would be mistaken to think otherwise. Further, the U.S. had been naive to think that it could ameliorate Indian policies through enticements proffered by the Shah. Indian policies, he claimed, are based on Indian national

interests, particularly the Hindu perception of Mata Bharat--Mother India--something that is not always fully appreciated in the West. He said that he hoped the U.S. would not be tempted to pursue the same kind of policy toward India through the new Iranian Government as it had through the Shah, but rather accept India for what it is and deal directly with it on that basis.

9. Rahim summarized by saying that Pakistan believes that expanded regional cooperation is both feasible and desirable, but that the eastern boundary of an enlarged RCD should be Pakistan's border with India.

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RUSBKR/AMCONSUL KARACHI 7750
RUEHMO/AMEMBASSY MOSCOW 1292
RUSBAE/AMEMBASSY NEW DELHI 639
RUQMHR/AMEMBASSY TEHRAN 5145
BT
C O N F I D E N T I A L

LIMITED OFFICIAL USE ISLAMABAD 4251

E.O. 12065: N/A
TAGS: ETRD, UR, PK
SUBJECT: PAKISTAN USSR TRADE PROTOCOL FOR 1979-80

1. THE WEEK OF 25 MARCH 1979, IN ISLAMABAD, THE SOVIET DEPUTY MINISTRY FOR FOREIGN TRADE, MR. I.T. GRISHIN, AND GOP OFFICIAL SIGNED THE PAKISTAN-USSR TRADE PROTOCOL FOR 1979-80. THE SIGNING WAS PRECEDED BY TWO WEEKS OF TALKS (BETWEEN 11-21 MARCH) BETWEEN THE GOP AND A SIX MEMBER SOVIET TRADE DELEGATION WHICH PUT TOGETHER THE DETAILS OF THE NEW BARTER PROTOCOL. THE NEW AGREEMENT IS IN LINE WITH LAST YEAR'S AND THERE ARE NO NEW VISIBLE TRENDS.

2. ALTHOUGH FEW OF THE DETAILS OF THE NEW BARTER AGREEMENT HAVE BEEN MADE PUBLIC, ON 9 APRIL EMBOFF CALLED ON MR. AETEZAZUDDIN, JOINT SECRETARY, MINISTRY OF COMMERCE (PROTECT), WHO DISCUSSED THE GENERAL TERMS OF THE NEW AGREEMENT. THE 1979-80 BARTER PROTOCOL HAS A $26 MILLION CEILING ON THE EXCHANGE VALUE OF GOODS OVER THE NEXT TWELVE MONTHS. ALTHOUGH ACTUAL VALUES/ COSTS OF INDIVIDUAL ITEMS ARE CONSIDEREED CLASSIFIED BY THE

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GOP, UNDER THE TERMS OF THE AGREEMENT, THE BULK OF PAKISTAN PURCHASES WILL BE MACHINERY AND RAW MATERIALS FOR THE AGRICULTURAL SECTOR. THE MAIN ITEMS ON THE PAKISTAN IMPORT LIST ARE FARM TRACTORS (SEE PARA 5, BELOW) AND "$7 MILLION" PURCHASE OF UREA FERTILIZER, WITH THE BALANCE OF THE AGRICULTURAL PURCHASE FOR SPARE PARTS AND MISCELLANEOUS FARM MACHINERY. OTHER MAJOR ITEMS FOR PAKISTAN INCLUDE SOME KARACHI STEEL MILL MACHINERY (DESCRIBED AS "SOME CREDITS AND SOME DIRECT PURCHASES"); EQUIPMENT AND SPARE PARTS DESTINED FOR THE OIL AND GAS DEVELOPMENT CORPORATION (OGDC) (OGDC HAS BENEFITED FROM SOVIET TECHNICAL ASSISTANCE AND UTILIZES SOVIET MACHINERY); KEROSENE; ASBESTOS FIBER; EARTH MOVING AND ROAD BUILDING EQUIPMENT; STEEL BILLITS; AND LESSER PURCHASES OF MACHINE TOOLS, WORKSHOP EQUIPMENT, SHEET AND PLATE GLASS, AND RADIO AND TV SETS.

3. PAKISTAN WILL SUPPLY THE USSR WITH THE USUAL TRADITIONAL PRODUCTS AS IN THE PAST YEAR: COTTON TEXTILES, HOSIERY, YARN, GARMENTS, CARPETS, TANNED LEATHER PRODUCTS SUCH AS SHOES, SURGICAL INSTRUMENTS, SPECTACLE FRAMES, HANDICRAFTS, ETC.

4. THE GOP EXPRESSED A DESIRE TO SIMPLIFY THE LOGISTICS ARRANGEMENTS INVOLVED IN THE AGREEMENT AND FUTURE TALKS WITH USSR ARE SCHEDULED ON THIS SUBJECT. DURING THE SOVIET DELEGATION'S VISIT, SEPARATE AGREEMENTS IN THE FIELDS OF EDUCATION AND TV AND RADIO WERE DISCUSSED. (ON 25 MARCH, THE PRESS ANNOUNCED THE SIGNING OF A TWO-YEAR IMPLEMENTATION AGREEMENT ON COOPERATION AND EXCHANGES IN THE FIELD OF TELEVISION AND RADIO BROADCASTING BETWEEN THE USSR STATE COMMITTEE FOR TELEVISION AND RADIO BROADCASTING CORPORATION AND PAKISTAN TELEVISION CORPORATION.)

5. ON APRIL 10, THE PAKISTAN PRESS ANNOUNCED THAT VISITING SOVIET OFFICIAL, MR. V.N. MYSHKOV, PRESIDENT OF THE TRACTOR EXPORT CORPORATION OF THE USSR, HAD CONCLUDED AN AGREEMENT WITH THE TRACTOR CORPORATION OF PAKISTAN FOR THE SUPPLY OF 4,500 TRACTORS AND 300 PLOWS UNDER THE TERMS OF THE 1979-80 PAKISTAN-USSR TRADE AGREEMENT. MR. MYSHKOV NOTED IN THE INTERVIEW THAT THE TRACTORS HAD A COMMERCIAL VALUE OF $20 MILLION. (THE ITEM NOTED THAT THE USSR HAD SUPPLIED ABOUT 4,000 TRACTORS TO PAKISTAN IN 1978.)

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RUSBLK/AMEMBASSY KABUL 9897
RUSBKR/AMCONSUL KARACHI 7804
ZEN/AMCONSUL LAHORE 6202
RUDTC/AMEMBASSY LONDON 3913
RUSBAE/AMEMBASSY NEW DELHI 669
RUFNPS/AMEMBASSY PARIS 2988
ZEN/AMCONSUL PESHAWAR POUCH
RUQMHR/AMEMBASSY TEHRAN 5162
RUHQHQA/CINCPAC HONOLULU HI
RUFHGV/USMISSION GENEVA 1100
RUMJPG/AMEMBASSY BEIJING 477
RUEHMO/AMEMBASSY MOSCOW 1300
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C O N F I D E N T I A L ISLAMABAD 4522

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E.O. 12065: RDS 1 4/17/85 (SCHLAIKJER S) OR-V
TAGS: SREF, CVIS, SHUM, AF, PK
SUBJECT: (U) GOP ASKS UN FOR AFGHAN REFUGEE ASSISTANCE

REF: ISLAMABAD 4262

1. (U) APRIL 17 ISSUE OF PAKISTAN TIMES CARRIED BRIEF NEWS ITEM WHICH STATED THAT THE GOVERNMENT OF PAKISTAN "HAS MADE AN OFFICIAL APPROACH TO THE UNITED NATIONS FOR HELP IN COPING WITH THOUSANDS OF REFUGEES WHO HAVE CROSSED THE BORDER FROM AFGHANISTAN." ARTICLE NOTES BBC CORRESPONDENT IN PAKISTAN HAS REPORTED THE NUMBER OF REFUGEES TO BE 45,000 WHILE SUGGESTING THAT UNOFFICIAL ESTIMATES PUT THE FIGURE EVEN HIGHER.

2. (U) TO THE EMBASSY'S KNOWLEDGE, THIS IS FIRST PUBLIZED REPORT THAT GOP HAS APPEALED FOR UN HELP IN DEALING WITH AFGHAN REFUGEES.

3. (C) FGI-PLEASE PROTECT: IN CONSULTATIONS WITH UNHCR OFFICIALS IN GENEVA 4/11/79, EMBASSY CONSULAR OFFICER WAS TOLD THAT UNHCR IS DELIBERATING OVER GOP'S REQUEST FOR ASSISTANCE. UNHCR DEPUTY CHIEF OF RESETTLEMENT DIVISION EXPRESSED BELIEF THAT UNHCR WOULD SOON SEND A REPRSENTATIVE TO PAKISTAN TO ASSESS REFUGEE SITUATION. UNDP DEPUTY RESIDENT REP IN ISLAMABAD CONFIRMED 4/17/79 THAT UN HIGH COMMISSIONER AND PAKISTAN AMBASSADOR TO UN GENEVA RECENTLY HELD TALKS RELATING TO IMPLEMENTATION OF UN MAINTENANCE ASSISTANCE FOR AFGHAN REFUGEES IN PAKISTAN. EMBASSY OFFICER'S IMPRESSION FROM MEETING IN GENEVA AND FROM TALKS WITH UNDP ISLAMABAD IS THAT UNHCR'S FUTURE EFFORTS IN PAKISTAN WILL BE RESTRICTED TO REFUGEE MAINTENANCE--I.E. MATERIAL ASSISTANCE--AND NOT RESETTLEMENT OF REFUGEES IN THIRD COUNTRIES. END FYI.

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RUSBKR/AMCONSUL KARACHI 7835
RUMJHT/AMEMBASSY KATHMANDU 1651
RUMJMA/AMEMBASSY MANILA 1312
RUSBAE/AMEMBASSY NEW DELHI 698
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C O N F I D E N T I A L SECTION 1 OF 2 ISLAMABAD 4701

MANILA FOR ADB
PARIS ALSO FOR OECD

E.O. 12065: GDS 4/23/85 (MICHALAK, M.W.) OR-E
TAGS: EAGR, EAID, EFIN, PINT, PK
SUBJECT: (LOU) ECONOMIC IMPLICATIONS - POST BHUTTO

REF: A) ISLAMABAD 4521, B) ISLAMABAD 4573

1. (C-ENTIRE TEXT)

2. SUMMARY: MORE THAN TWO WEEKS AFTER THE BHUTTO EXECUTION, RELATIVE CALM HAS RETURNED TO PAKISTAN AND WE HAVE NO REPORTS OF CIVIL DISTURBANCES SERIOUSLY AFFECTING ECNOMIC ACTIVITY. IT IS STILL TOO EARLY TO JUDGE BUSINESS INTENTIONS IN THE POST-BHUTTO ERA, BUT HIS DEPARTURE FROM THE SCENE WILL CERTAINLY HAVE A POSITIVE EFFECT ON DECISIONS BY LARGE PRIVATE INVESTORS WHO JUSTIFIABLY FEARED WHAT HE MIGHT DO TO THEIR INVESTMENTS IF HE RETURNED TO POWER. THERE ARE, HOWEVER, MANY FACTORS REMAINING WHICH CONTRIBUTE TO A SENSE OF UNCERTAINTY IN THE INVESTOR COMMUNITY, INCLUDING UNCERTAINTLY ABOUT WHAT SORT OF ISLAMIC OR OTHER ECONOMIC REFORMS ZIA MAY NOW BE EMBOLDENED TO MAKE, AND DOUBT ABOUT THE ECONOMIC POLICIES OF AN EVENTUAL ELECTED GOVERNMENT. THESE MAY BE FORESHADOWED IN THE ELECTORAL CAMPAIGN. HOW SOON AND HOW CONVINCINGLY ZIA ALLOWS THE POLITICAL PROCESS TO BEGIN WILL ALSO BE IMPORTANT. THE REALTIVE EASE WITH WHICH PRESIDENT ZIA HANDLED THE AFTERMATH OF THE DRASTIC EVENTS OF APRIL 4 SEEMS TO HAVE ENHANCED HIS CONFIDENCE IN, OR HIS PERCEPTION OF, HIS ABILITY TO ADMINISTER THE COUNTRY AND MAKE ECONOMIC POLICY DECISIONS. ZIA'S ABILITY TO MAINTAIN LAW AND ORDER AFTER AN INTIAL TEST OF FORCE

SEEMS TO HAVE STRENGTHENED HIS RESOLVE TO MOVE AHEAD WITH THE DIFFICULT BUDGETARY MEASURES. THE GOP RAISED THE PRICE FOR RATION SHOP WHEAT WHICH, FOR NOW AT LEAST, ELIMINATED THE LARGE OVERT SUBSIDY ON DOMESTICALLY PROCURED WHEAT AND OTHER SUBSIDY REDUCTIONS SEEM TO BE IN THE WORKS. ALTHOUGH CERTAINLY NECESSARY FOR THE LONG RUN ECONOMIC STABILITY OF PAKISTAN, THESE MOVES WILL ADD TO THE CURRENT GENERAL FEELING OF POPULAR DISSATISFACTION. THE IMPLEMENTATION OF ZAKAT AND USHR, A MAJOR COMPONENT OF THE GOP'S ISLAMIZATION POLICY, WILL PROBABLY BE UNAFFECTED. INTERNATIONALLY, THE DISPLEASURE OVER THE HANGING DOES NOT SEEM LIKELY TO BE TRANSLATED INTO ECONOMIC REPERCUSSIONS. ARAB DISPLEASURE COULD EFFECT THE TIMING OF SOME AID FLOWS, BUT IN ALL LIKELIHOOD WILL NOT HAVE ANY LONG TERM NEGATIVE EFFECT. END SUMMARY.

3. OVER TWO WEEKS AFTER THE EXECUTION OF FORMER PRIME MINISTER ZULFIKAR ALI BHUTTO, THE COUNTRY SEEMS RELATIVELY CALM AND ECONOMIC ACTIVITY HAS NOT BEEN SERIOUSLY DISRUPTED. THE GOP IS CONDUCTING "BUSINESS AS USUAL" AND THE FOOD, INDUSTRIAL AND LAW AND ORDER SITUATIONS APPEAR NORMAL. WE HAVE HAD NO REPORTS OF MASS STRIKES OR OTHER INDUSTRIAL PROBLEMS AND IT APPEARS THAT DISTURBANCES, DIRECTLY RELATED TO THE EXECUTION, ARE LARGELY OVER, AT LEAST FOR NOW. THE BUSINESS COMMUNITY AS A WHOLE HAS NOT REACTED PUBLICLY TO BHUTTO'S DEMISE, BUT WE WOULD EXPECT THAT THE FEARS OF FRESH NATIONALIZATIONS, HARBORED BY MANY BUSINESSMEN, WERE LAID TO REST WITH BHUTTO'S BODY. EVEN THOUGH WHAT MANY SAW AS THE PRIMARY IMPEDIMENT TO INVESTMENT IN PAKISTAN IS NOW GONE, WE BELIEVE THAT FOR THE SHORT RUN, THERE ARE ENOUGH, AS YET UNRESOLVED, FACTORS TO CONTINUE TO INHIBIT A MAJOR RESURGENCE OF DOMESTIC INVESTMENT. THE CUMULATIVE EFFECT ON PUBLIC ATTITUDES OF HIGHER PRICES FOR SOME KEY ITEMS CAUSED BY CUTTING SUBSIDIES, CURRENT ANTI-GOVERNMENT SENTIMENT, AND ZIA'S REACTION TO CALLS FOR LIBERALIZED POLITICAL ACTIVITY ARE AS YET UNKNOWN AND ARE CAUSE FOR SOME UNCERTAINTY OVER THE LAW AND ORDER SITUATION. ADDITIONALLY, THE ECONOMIC POLICIES THAT WILL BE FORESHADOWED WHEN POLITICAL PARTIES TAKE TO THE HUSTINGS AND THE POLICIES OF ZIA'S NEW CABINET (ISLAMABAD 4573) ARE OTHER SOURCES OF DOUBT WHICH MAY CAUSE INVESTORS TO BE CAUTIOUS IN IMPLEMENTING PLANS IN THE NEAR FUTURE. FINALLY, EXCESSIVE GOVERNMENT REGULATION OF BUSINESS ACTIVITY WILL CONTINUE TO HINDER INVESTORS EVEN AFTER THEY DECIDE TO INVEST.
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VV ESA203MJC377
PP RUQMHR
DE RUSBQD #4701/02 1130845
ZNY CCCCC ZZH
P R 230600Z APR 79
FM AMEMBASSY ISLAMABAD
TO RUEHC/SECSTATE WASHDC PRIORITY 2612
INFO RUMJDK/AMEMBASSY DACCA 3250
RUSBLK/AMEMBASSY KABUL 9128
RUSBKR/AMCONSUL KARACHI 7836
RUMJHT/AMEMBASSY KATHMANDU 1651
RUMJMA/AMEMBASSY MANILA 1313
RUSBAE/AMEMBASSY NEW DELHI 699
RUFNPS/AMEMBASSY PARIS 2999
RUQMHR/AMEMBASSY TEHRAN 5179
BT
C O N F I D E N T I A L SECTION 2 OF 2 ISLAMABAD 4701

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4. THE RESOLUTION OF THE BHUTTO QUESTION AND SUBSEQUENT RELATIVE CALM SEEMS TO HAVE STRENGTHENED PRESIDENT ZIA'S RESOLVE TO TACKLE SOME OF THE PRESSING ECONOMIC PROBLEMS FACING THE GOVERNMENT AS IT APPROACHES THE FINAL FORMULATION OF THE PFY 1979/80 BUDGET. WHILE THE BHUTTO DRAMA WAS STILL GOING ON, OFFICIALS IN THE FINANACE MINISTRY TOLD US THAT THEIR PROPOSALS TO TRIM THE UP-TO-NOW EXPANDING BUDGET DEFICIT WERE RUNNING INTO ROADBLOCKS AT THE HIGHEST LEVELS OF GOVERNMENT. YET, NOT EVEN TWO WEEKS AFTER THE EXECUTION, THE GOVERNMENT TOOK WHAT MANY BELIEVE WAS A VERY POLITICALLY SENSITIVE ECONOMIC STEP WHEN IT RAISED THE PRICE OF RATION SHOP WHEAT, CONSUMED PRIMARILY BY THE URBAN PEOPLES, BY 40 PERCENT. THE MOVE ELIMINATED THE OVERT SUBSIDY ON DOMESTICALLY-PROCURED WHEAT AND WILL REDUCE THE DEFICIT BY OVER RS. 1 BILLION IN PFY 1979/80. PRESS REPORTS AND CONVERSATIONS WITH GOP OFFICIALS INDICATE THAT MOVES TO CHECK OTHER DRAINS ON THE EXCHEQUER, FOR EDIBLE OIL AND FERTILIZER, ARE ALSO UNDER CONSIDERATION.

5. WHILE REDUCTION OF FOOD SUBSIDIES IS THE MOST IMPORTANT AND DIFFICULT PART OF THE GOP'S BUDGETARY STRATEGY, OTHER MEASURES ARE UNDER CONSIDERATION TO MOBILIZE INTERNAL BUDGETARY RESOURCES AND TRIM OTHER SUBSIDY AND NON-SUBSIDY EXPENDITURES. WE ARE HOPEFUL THAT SEVERAL OF THESE OTHER MEASURES WILL ACTUALLY SEE THE LIGHT OF DAY SINCE PRESSURES TO MANAGE THE BUDGET DEFICIT MAY BE AS STRONG AS COUNTERVAILING POST-BHUTTO (AND PRE-ELECTION) POLITICAL PRESSURES. IN THE SHORT RUN, ANY NEW TAX MEASURES, WHICH IN ANY EVENT WILL PROBABLY NOT BE INTRODUCED FOR ABOUT TWO MONTHS, WILL PROBABLY AFFECT WEALTHY INDUSTRIALISTS, WHILE SOME MEASURES MAY BE TAKEN TO MITIGATE THE CRUEL IMPACT OF THE RATION SHOP WHEAT PRICE INCREASE ON THE URBAN MASSES.

6. THE MAIN NEGATIVE ECONOMIC REACTION FROM THE INTERNATIONAL COMMUNITY WILL PROBABLY COME FROM OTHER ISLAMIC STATES. THERE ARE VARIOUS RUMORS THAT ARAB OIL MONEY WILL BE LESS FORTHCOMING FOR A WHILE BUT WE WOULD EXPECT THAT IN THE END IT WILL COME. IN FACT, PRESS REPORTS FROM BAGHDAD (ISLAMABAD 4381) SAY THAT ARAB STATES HAVE ALREADY AGREED TO FILL THE GAP LEFT BY THE AMERICAN WIND D[illegible] OF DEVELOPMENT AID TO PAKISTAN. THE POSSIBLE [illegible]00 MILLION SAUDI-UAE ZAKAT CONTRIBUTION, WHICH HAS YET TO COME IN, MIGHT BE THE LARGEST AMOUNT AFFECTED BY THE SLOWDOWN OF ARAB MONEY BUT SAUDI ISLAMIC ZEAL AND THE BASIC PAK-SAUDI RELATIONSHIP MAY OUTWEIGH THEIR REGRET OVER THE DEATH OF BHUTTO. THE DISCUSSIONS WITH IRAN ON DEBT RESCHEDULING COULD ALSO BE AFFECTED BY ADVERSE IRANIAN REACTION TO THE EXECUTION, BUT WE BELIEVE THAT WHILE FRESH AID FROM IRAN IS UNLIKELY, A WAY MAY BE FOUND TO PERMIT CONTINUED NON-INSISTENCE ON REPAYMENT OF EXISTING DEBT.

HUMMEL

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7 May 79 06 29

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TO RUEHC/SECSTATE WASHDC 2826
INFO RUMJGM/AMEMBASSY COLOMBO 1634
RUMJDK/AMEMBASSY CACCA 3263
RUSBLK/AMEMBASSY KABUL 9177
RUSBKR/AMCONSUL KARACHI 7981
RUDTC/AMEMBASSY LONDON 3953
ZEN/AMCONSUL LAHORE POUCH
RUSBAE/AMEMBASSY NEW DELHI 752
ZEN/AMCONSUL PESHAWAR POUCH
RUQMHR/AMEMBASSY TEHRAN 5197
RUHQHQA/CINCPAC HONOLULU HI
RUDKKR/AMEMBASSY TUNIS 142
BT
C O N F I D E N T I A L SECTION 1 OF 2 ISLAMABAD 5223

CINCPAC FOR POLAD

E.O. 12065: GDS 5/3/85 (GROSSMAN, M) OR-P
TAGS: PINT, SHUM, PK
SUBJECT: (U) LOCAL BODIES' ELECTIONS: THE NEXT POLITICAL STORM?

REF: (A) ISLAMABAD 4699 (B) 78-ISLAMABAD 7585
(C) 78-ISLAMABAD 7352 (D) ISLAMABAD 4521

1. (C) SUMMARY: PROPOSALS THAT THE GOP HOLD ELECTIONS TO "LOCAL BODIES" BEFORE THE NATIONAL ELECTIONS SCHEDULED FOR NOVEMBER HAVE RESURFACED. A TRIAL BALLON IN THE PRESS APRIL 26 HAS BEEN FOLLOWED BY ENDORSEMENTS OF THE LOCAL ELECTIONS SCHEME BY TWO FEDERAL MINISTERS AND THE AUTHORITATIVE PAKISTAN TIMES. PAKISTAN'S POLITICIANS--WHO OPPOSE THE IDEA OF PRIOR LOCAL ELECTIONS ALMOST TO A PERSON--HAVE LOCKED HORNS WITH PRES. ZIA UL-HAQ ONCE BEFORE ON THIS ISSUE, AND THE GENERAL SEEMS DETERMINED TO MIX IT UP OVER LOCAL POLLS AGAIN. THE REASONS WE HEAR F THE PRESIDENT'S COMMITMENT TO LOCAL ELECTIONS RUN FROM THE CHARITABLE, THAT HE WANTS TO FORCE A SOLID BASE OF DEMOCRATIC EXPERIENCE IN PAKISTAN BEFORE PROCEEDING TO NATIONAL ELECTIONS, TO THE UNKIND, THAT ZIA WILL USE THE LOCAL POLLS TO GRASP NATIONAL ENDORSEMENT AND/OR CANCEL OR POSTPONE THE NATIONAL ELECTIONS. END SUMMARY.

2. (U) POLITICAL STORM WARNINGS ARE OUT IN PAKISTAN FOR WHAT PROMISES TO BE THE NEXT MAJOR POLITICAL CONTROVERSY: WHETHER TO HOLD ELECTIONS TO "LOCAL BODIES" ON A NON-PARTY BASIS IN AUGUST OR SEPTEMBER BEFORE FULL-FLEDGED NATIONAL POLLS NOW SCHEDULED FOR NOVEMBER.

3. (U) THE IDEA THAT ELECTIONS TO DISTRICT AND MUNICIPAL COUNCILS SHOULD PRECEDE POLLING FOR NATIONAL AND PROVINCIAL ASSEMBLIES WAS INTIALLY PROPOSED BY PRESIDENT ZIA LAST YEAR (REFS B & C). ZIA PROPOSAL CAUSED HEATED CONTROVERSY, BOTH BEFORE THE PAKISTAN NATIONAL ALLIANCE (PNA) ACCEPTED CABINET SEATS IN SEPTEMBER AND AFTERWARDS.

4. (U) PRESIDENT ZIA, WHO STRONGLY FAVORS LOCAL ELECTIONS BEFORE NATIONAL POLLS, HAS NEVER GIVEN UP ON HIS PROPOSAL. IN NUMEROUS INTERVIEWS OVER THE ALMOST TWO YEARS OF HIS RULE, HE HAS RETURNED REPEATEDLY TO THE LOCAL BODIES CONCEPT, MOST RECENTLY AT THE INSTALLATION OF HIS NEW CABINET ON APRIL 21 (REF A).

5. (U) IT WAS IN THE WAKE OF ZIA'S COMMENTS AT THE CABINET FETE THAT LOCAL BODIES' POLLS GOT THEIR SECOND WIND. A SPECULATIVE STORY, KNOWN AMONG MEMBERS OF THE PRESS TO BE AN "OFFICIAL TRIAL BALLOON," APPEARED APRIL 26 IN THE URDU DAILY NAWA-I-WAQT SAYING THAT LOCAL ELECTIONS WOULD BE HELD IN AUGUST, 1979; THIS WAS COUPLED WITH AN ASSURANCE THAT THERE SHOULD BE "NO FEAR" THAT LOCAL POLLS WOULD "AFFECT THE SCHEDULE FOR GENERAL ELECTIONS."

6. (U) THE COUNTRY'S POLITICIANS CAME OUT IN FORCE ONCE AGAIN TO ATTACK THE IDEA, URGING ZIA TO STICK TO HIS PROMISE TO HAVE NATIONAL ELECTIONS FIRST, AND ON THE PRESENT SCHEDULE. IN RESPONSE, FEDERAL MINISTER (LGEN.) F.A. CHISHTI, WHO SUPPORTED AND PROMOTED THE IDEA OF LOCAL ELECTIONS WHEN HE WAS LAST IN THE CABINET AS CHAIRMAN OF THE ELECTION CELL, TOLD THE PRESS APRIL 30, "THE GOVERNMENT ATTACHES IMPORTANCE TO THE HOLDING OF LOCAL BODIES' ELECTIONS BEFORE THE GENERAL ELECTIONS IN ORDER TO PROVIDE A SOUND BASIS FOR THE FUTURE GROWTH OF DEMOCRACY IN THE COUNTRY." CHISHTI SAID THAT THE COUNTRY'S POLITICIANS SHOULD "NOT BE AFRAID OF LOCAL BODIES' POLLS," BECAUSE THE DATE FOR THE GENERAL ELECTION HAS ALREADY BEEN SET BY THE PRESIDENT FOR NOVEMBER 17. CHISHTI'S SENTIMENTS WERE ECHOED MAY 2 BY FEDERAL MINISTER MIR ALI AHMAD TALPUR, WHO SAID THAT LOCAL BODIES' ELECTIONS ARE "REQUIRED TO PROMOTE A SOUND DEMOCRATIC EDIFICE." THE GOVERNMENT OWNED PA STAN TIMES ADDED ITS ENDORSEMENT MAY 4.
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RUMJDK/AMEMBASSY DACCA 3264
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RUSBKR/AMCONSUL KARACHI 7982
RUDTC/AMEMBASSY LONDON 3954
ZEN/AMCONSUL LAHORE POUCH
RUSBAE/AMEMBASSY NEW DELHI 753
ZEN/AMCONSUL PESHAWAR POUCH
RUQMHR/AMEMBASSY TEHRAN 5198
RUHQHQA/CINCPAC HONOLULU HI
RUDKKR/AMEMBASSY TUNIS 143
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7 May 79 07 17

C O N F I D E N T I A L SECTION 2 OF 2 ISLAMABAD 5223

CINCPAC FOR POLAD

7. (C) COMMENT: WE EXPECT THAT THE POLITICIANS WILL BE BACK OUT OVER THE NEXT FEW DAYS ATTACKING THESE ENDORSEMENTS OF LOCAL BODIES' POLLS AND ARGUING THAT NATIONAL ELECTIONS ARE THE ONLY WAY FOR THE MILITARY TO GET OUT OF POWER GRACEFULLY, LEAVING THE STRUCTURE OF LOCAL GOVERNMENT, AND ALL OTHER FUNDAMENTAL DECISIONS, TO ELECTED GOVERNMENTS. POLITICIANS WITH LONG MEMORIES SEE IN THE MOVE FOR PRIOR LOCAL BODIES' POLLS A PARALLEL TO AYUB KHAN'S EXPERIMENTATION WITH SO-CALLED BASIC DEMOCRACIES, A SYSTEM BEGINNING AT THE LOCAL LEVEL AND THEN INVOLVING INDIRECT ELECTIONS UPWARD. ARMY LEADERS --ALL OF WHOME WERE MIDDLE GRADE OFFICERS DURING AYUB'S TIME--KNOW WELL THAT THE POLITICIANS ARE SUSPICIOUS OF LOCAL BODIES' POLLS BECAUSE THEY ARE EFFECTIVELY UNPREDICTABLE. LEAVING DECISIONS ON LOCAL BODIES' POLLS TO THE POLITICIANS IN THE PAST HAS LED TO NO POLLS. LOCAL BODIES REMAINED IN APPOINTED HANDS, NON-ASSERTIVE AND RELATIVELY INEFFECTIVE AT A LEVEL WHERE PAKISTAN HAS TRADITIONALLY NEEDED AND NOT HAD RESPONSIBLE GOVERNMENT.

6. (C) THERE HAS BEEN A GOOD DEAL OF SPECULATION ON ZIA'S (AND HIS CABINET C[illegible]EAGUES') FIXATION WITH LOCAL ELECTIONS, RANGING FROM THE CHARABLE TO THE UNKIND:

--ZIA'S SUPPORTERS, LIKE CHISHTI AND TALPUR, ARGUE PUBLICLY THAT DEMOCRACY CAN ONLY GROW FROM A SOLID BASE, AND THAT IT MAKES LITTLE SENSE TO ATTEMPT TO INCULCATE DEMOCRATIC NORMS FROM THE TOP DOWNWARD IN A COUNTRY WITH LIMITED DEMOCRATIC EXPERIENCE. ZIA AND HIS SUPPORTERS ALSO BELIEVE THAT IT IS VITAL THAT THE LOCAL ELECTIONS BE HELD ON A NON-PARTY BASIS TO DAMPEN PARTISAN FURY.

--THERE IS ALSO A THEORY THAT ZIA, WHO HAS KEPT A CAREFUL WATCH ON HIS NAMESAKE IN BANGLADESH, WOULD LIKE TO EMULATE BANGLADESH'S RETURN--THROUGH LOCAL ELECTIONS, A REFERENDUM, AND NATIONAL POLLS--TO A FORM OF REPRESENTATIVE RULE. MANY ALSO NOTE THAT ZIA UL-HAQ, EVER MORE THE POLITICIAN (REF D), MIGHT BE TEMPTED (DESPITE HIS DENIALS) TO COPY BANGLADESH'S ZIA UR-RAHMAN, ENDING UP AT THE TOP OF THE POLITICAL HEAP WITH A NATIONAL ASSEMBLY READY AND WILLING TO LEGITIMIZE HIS PRESIDENCY AND HIS MARTIAL LAW REGIME.

--AMONG THE MORE UNKIND (BUT WIDELY HELD) SUSPICIONS IS THAT ZIA INTENDS TO USE THE LOCAL BODIES' POLLS AS AN EXCUSE TO CANCEL, OR FURTHER POSTPONE, THE NATIONAL ELECTIONS. THE ARGUMENT RUNS THAT, IF THE LOCAL POLLS ARE A SUCCESS, ZIA CAN LAY CLAIM TO PUBLIC ENDORSEMENT AND MAINTAIN--FOR ANY NUMBER OF REASONS--THAT MARTIAL LAW SHOULD CONTINUE FOR A WHILE LONGER. IF THE POLLS ARE DISRUPTED, OR LOOK LIKELY TO BE SWEPT BY MEMBERS OF FORMER PRIMIN BHUTTO'S PAKISTAN PEOPLES PARTY (PPP), ZIA CAN CLAIM THAT THE COUNTRY IS NOT READY FOR THE NATIONAL ELECTIONS WHICH CAN GUARANTEE THE "POSITIVE RESULTS" TO WHICH HE IS COMMITTED.

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FM AMEMBASSY ISLAMABAD
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INFO RUQMGU/AMEMBASSY ANKARA 4113
RUMJPG/AMEMBASSY BEIJING 490
RUMJDK/AMEMBASSY DACCA 3262
RUQMRA/AMEMBASSY JIDDA 722
RUSBLK/AMEMBASSY KABUL 9176
RUSBKR/AMCONSUL KARACHI 7900
ZEN/AMCONSUL LAHORE POUCH
RUDIC/AMEMBASSY LONDON 3952
RUSBAE/AMBASSY NEW DELHI 751
RUFNPS/AMEMBASSY PARIS 3019
RUEHDT/USUN NEW YORK 1794
RUQMHR/AMEMBASSY TEHRAN 5196
RUQMKM/AMEMBASSY KHARTOUM 061
RUQMAM/AMEMBASSY MANAMA 282
RUDKBT/AMEMBASSY RABAT PRIORITY 142
RUDKKR/AMEMBASSY TUNIS 141
RUEHEG/AMEMBASSY CAIRO 417
RUEHTV/AMEMBASSY TEL AVIV 293
RUQMTI/AMEMBASSY TRIPOLI 120
BT
C O N F I D E N T I A L

LIMITED OFFICIAL USE ISLAMABAD 5222

E.O. 12065: NA
TAGS: PEPR, PORG, PDIP, PK, XI, XF
SUBJECT: (U) PAKISTAN DELEGATION TO FEZ CONFERENCE

REF: (A) ISLAMABAD 4817 (B) ISLAMABAD 4926

1. MFA ADDITIONAL SECRETARY NAJMUS SAQEEB TOLD POLCOUNS AT DINNER 3 MAY THAT PAKISTAN DELEGATION FOR FEZ MEETING IS NOW SET. FOREIGN ADVISOR AGHA SHAHI, WHO WILL HEAD THE GROUP, WILL BE BACKSTOPPED BY NAIZ NAIK, PAKISTAN'S PERMANENT REPRESENTATIVE AT THE UN, S.A. PASHA, NOW ADDITIONAL FOREIGN SECRETARY AND PAKISTAN AMBASSADOR-DESIGNATE TO CAIRO, FAZAL MOQEEM KHAN (MGEN RETD), PAKISTAN'S AMBASSADOR IN JIDDA, AND TWO OFFICERS AT THE DIRECTOR LEVEL FROM MFA. PAKISTAN'S AMBASSADOR TO RABAT, S. GHIASUDDIN AHMED, IS ALSO EXPECTED TO BOLSTER THE DELEGATION.

2. SAQEEB--A FORMER AMBASSADOR TO KUWAIT--SHOWED LITTLE ENTHUSIASM FOR THE MEETING, NOTING THE DILEMMAS INTRA-ARAB FEUDS POSE FOR THE NON-ARAB ISLAMICS. HE SAID HE HAD BEEN BESIEGED THIS WEEK WITH CALLS FROM AMBASSADORS FROM SUCH NATIONS AS INDONESIA AND MALAYSIA WONDERING HOW PAKISTAN WAS GOING TO PLAY ITS HAND IN THE FACE OF THESE PRESSURES. HE DID NOT INDICATE WHAT ADVICE HE HAD GIVEN, BUT HE VOICED SYMPATHY WITH THOSE WHO HAVE SUGGESTED THE MEETING BE POSTPONED. HE NOTED RUEFULLY THAT IT IS NOW TOO LATE FOR THAT.

3. SAQEEB ALSO REPORTED THAT S.A. PASHA WILL TAKE UP HIS POST IN CAIRO IN EARLY TO MID-JUNE, AFTER THE FEZ CONFERENCE AND A COUPLE OF WEEKS OF LEAVE. PAKISTAN, HE SAID, WILL NOW BE REPRESENTING SAUDI ARABIA, JORDAN, AND BAHRAIN IN CAIRO, AS WELL AS LOOKING AFTER EGYPTIAN INTERESTS IN BAHRAIN AND POSSIBLE SOUTH YEMEN. HE INDICATED THAT PAKISTANI RESOURCES WILL BE STRETCHED TO THE LIMIT TO BE ABLE TO TAKE ON THESE ADDITONAL BURDENS. (EXEMPT)

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ZEN/AMCONSUL LAHORE PRIORITY 6256
RUSBKR/AMCONSUL KARACHI PRIORITY 7917
ZEN/AMCONSUL PESHAWAR POUCH
INFO RUMJDK/AMEMBASSY DACCA 3265
RUSBLK/AMEMBASSY KABUL 9184
RUDTC/AMEMBASSY LONDON 3958
RUSBAE/AMEMBASSY NEW DELHI 765
RUQMHR/AMEMBASSY TEHRAN 5281
RUWQHGA/CINCPAC HONOLULU HI
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C O N F I D E N T I A L

LIMITED OFFICIAL USE ISLAMABAD 5383

E.O. 12065: N/A
TAGS: SNUMPINT, PINS, ASEC, PK
SUBJECT: (U) BHUTTO AFTERMATH: THE FORTIETH DAY APPROACHES

REF: (A) ISLAMABAD 4178 (B) ISLAMABAD 4864

1. THE LAW AND ORDER SITUATION IN PAKISTAN REMAINS ESSENTIALLY QUIET, IF UNEASY; SOME MINOR DISTURBANCES HAVE OCCURRED INVOLVING LEFT-

WING, PRO-BHUTTO STUDENT ELEMENTS AND CONSERVATIVE ISLAMIC (JAMAAT-I-ISLAMI) TOUGHS, AND THE GOP IS FOLLOWING A SLOW AND CAUTIOUS POLICY OF GRADUALLY RELEASING FROM PREVENTIVE DETENTION MANY OF THE PAKISTAN PEOPLES PARTY FOLLOWERS OF THE LATE, FORMER PRIMIN. THE GOVERNMENT REMAINS ALERT TO POSSIBILITIES OF RENEWED PROTEST, HOWEVER, AND THE NEXT DATE WHICH CAN LEND ITSELF TO SUCH OUTBURSTS OF PRO-BHUTTO, ANTI-REGIME SENTIMENT IS THE TRADITIONAL ISLAMIC RELIGIOUS OBSERVANCE (AND CONDOLENCE CEREMONY) KNOWN AS CHEHLUM, WHICH IS ASSOCIATED WITH THE 40TH DAY AFTER THE DEATH.

2. IN THE CASE OF FORMER PRIMIN BHUTTO, CHEHLUM WOULD NORMALLY FALL ON MONDAY, MAY 14, BUT HIS FAMILY SURVIVORS HAVE MADE IT KNOWN THAT THEY WOULD PREFER TO CELEBRATE CHEHLUM ON FRIDAY, MAY 11 -- THE SABBATH -- WHEN CROWDS NORMALLY ATTEND MOSQUES IN LARGE NUMBERS. THE LARGEST OF THE ANTI-REGIME PROTESTS AGAINST THE HANGING OF THE FORMER PRIMIN TOOK PLACE MAINLY ON FRIDAY, APRIL 6, TWO DAYS AFTER THE EXECUTION.

3. OBSERVANCES ON MAY 11 ARE EXPECTED TO INCLUDE SPECIAL PRAYERS (FATEHA) AND SOME PUBLIC MANIFESTATION OF MOURNING. DEMONSTRATORS ARE LIKELY TO CARRY WHATEVER FERVOR IS GENERATED FROM THE MOSQUES TO THE STREETS, AND SOME SHOW OF FORCE BY THE AUTHORITIES WILL PROBABLY BE NECESSARY TO QUELL THE MOST ENTHUSIASTIC OF THE MOURNERS AS WELL AS THOSE, WITH POLITICAL PURPOSES, WHO MAY SEEK TO EXPLOIT THE EVENT WITH ANTI-REGIME AND/OR ANTI-PPP VIOLENCE.

4. BOTH BHUTTO'S WIFE AND DAUGHTER REMAIN IN DETENTION AT SIHALA, JUST OUTSIDE RAWALPINDI -- THEIR CURRENT EXTENSION RUNNING THROUGH THE END OF MAY. CHEHLUM FOR THEM WILL BE A PRIVATE AFFAIR.

5. THE PPP LEADERSHIP IN THE PUNJAB HAS JUST MET, EXPRESSED CRITICISM OF THE CONTINUING DETENTION OF THE BHUTTO WOMEN (AND OF THE RISE IN THE PRICE OF ATTA) BUT MADE NO MENTION OF THE CHEHLUM OR OF ANY OTHER COMMEMORATION OF THE EXECUTION; OTHER PPP LEADERS, LIKE MUMTAZ BHUTTO AND HAFEEZ PIRZADA, ARE KEEPING THEIR OWN HEADS DOWN TO AVOID REARREST, AND IN GENERAL THE PARTY LEADERSHIP REMAINS IN DISARRAY. SECTION 144 OF THE CRIMINAL CODE -- PROHIBITING THE ASSEMBLY OF MORE THAN 5 PERSONS -- IS IN FORCE THROUGHOUT RURAL SIND (INCLUDING THE REGION AROUND THE BHUTTO FAMILY HOME AND BURIAL GROUND NEAR LARKANA) AND MAY, IN FACT, PRECLUDE ANY SIGNIFICANT FAMILY CONGREGATION THERE IN COMMEMORATION OF THE EVENT.

6. WE EXPECT THAT THERE WILL BE SOME EFFORT TO STIMULATE UNREST, SOME DEMONSTRATIONS ARE POSSIBLE, BUT NEITHER WE NOR THE GOP EXPECT BHUTTO'S CHEHLUM TO BE THE OCCASION FOR MAJOR CIVIL DISTURBANCES IN PAKISTAN. WE ARE NONETHELESS ADVISING AMERICANS TO USE DISCRETION AND CARE IN AVOIDING CROWDS AND LARGE PUBLIC GATHERINGS ON FRIDAY THE 11TH.

HUMMEL

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Incoming

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FM AMEMBASSY MOSCOW
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INFO RUMJPG/AMEMBASSY BEIJING 1960
RUSBQD/AMEMBASSY ISLAMABAD 0955
RUSBLK/AMEMBASSY KABUL 0498
RUFHLG/AMCONSUL LENINGRAD 5744
RUSBAE/AMEMBASSY NEW DELHI 1433
RUQMHR/AMEMBASSY TEHRAN 0137
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C O N F I D E N T I A L MOSCOW 11355

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E.O. 12065: RDS-1 5/8/99 (TOON, MALCOLM) OR-M
TAGS: PK, AF, PEPR, MOPS, PBOR, UR

SUBJECT: (C) PAKISTANI DIPLOMAT DISCUSSES SOVIET-PAK RELATIONS, AFGHANISTAN

1. (C-ENTIRE TEXT)

2. A PAKISTAN DIPLOMAT (PROTECT) HAD THE FOLLOWING TO SAY ABOUT SOVIET-PAK RELATIONS AND THE SITUATION IN AFGHANISTAN DURING MAY 7 CONVERSATION WITH EMBOFF.

3. ON SOVIET-PAK RELATIONS, HE COMMENTED THAT:

-- AMBASSADOR KHAN RECENTLY DELIVERED A LETTER FROM GENERAL ZIA TO PREMIER KOSYGIN. FOLLOWING PRESENTATION OF THE MESSAGE, KHAN USED THE MEETING TO STRESS THAT ISLAMABAD WANTS TO HAVE GOOD RELATIONS WITH THE SOVIET UNION AND AFGHANISTAN. IT DOES NOT WANT THE AFGHAN REFUGEES IN PAKISTAN AND DID NOT INVITE THEM. PAKISTAN WOULD BE PLEASED IF THE REFUGEES RETURNED HOME. THE SOVIET UNION AND AFGHANISTAN CAN DO WHAT THEY WANT INSIDE AFGHANISTAN TO KEEP THE REFUGEES FROM ENTERING PAKISTAN, TO THE EXTENT OF BUILDING A WALL IF NECESSARY. HOWEVER, THE INTERNAL SITUATION IN AFGHANISTAN AND NOT PAKISTAN SHOULD BE BLAMED FOR THE EXODUS. PAKISTAN HAS THE HUMANITARIAN RESPONSIBILITY TO SEE THAT FOOD AND OTHER ESSENTIALS GET TO THE REFUGEES.
-- KOSYGIN'S RESPONSE WAS "MODERATE". HE NOTED THAT THE AFGHAN VERSION DIFFERED FROM AMBASSADOR KHAN'S PRESENTATION. IT WOULD BE GOOD IF THE REASONS FOR THESE AFGHAN APPREHENSIONS WERE REMOVED, HE SAID.

-- THE SOVIET AMBASSADOR IN ISLAMABAD WAS MORE DIRECT. IN RESPONSE TO PAKISTANI DISAVOWELS OF AIDING ANTI-DRA ACTIVITIES EMANATING FROM THE REFUGEE CAMPS, HE STATED BLUNTLY THAT THE PAKISTAN GOVERNMENT IS PROVIDING ARMS TO THE REFUGEES, RETIRED PAKISTANI MILITARY PERSONNEL ARE TRAINING REFUGEES FOR MILITARY ACTIVITY AGAINST THE DRA, AND "OFFICIAL" PAKISTANI PROPAGANDA IS CRITICAL OF THE DRA.

-- WHILE RELUCTANT TO DRAW ANY DEFINITIVE CONCLUSIONS, THE PAKISTANI EMBASSY IN MOSCOW BELIEVES THAT MOSCOW IS STILL INTERESTED IN PURSUING GOOD RELATIONS WITH ISLAMABAD AND MAY EVEN BE RESTRAINING KABUL FROM MOVING ACTIVELY TO STIR UP BORDER PROBLEMS WITH PAKISTAN. AT THE SAME TIME, THE EMBASSY IS APPREHENSIVE THAT THIS APPARENT SOVIET POSITION COULD CHANGE, DEPENDING ON THE SITUATION IN AFGHANISTAN.

-- OTHERWISE, BILATERAL RELATIONS ARE DEVELOPING WELL. NEGOTIATIONS ARE UNDER WAY FOR SHIPPING AND CONSULAR AGREEMENTS. COOPERATION ON THE SOVIET-ASSISTED STEEL MILL IS PROCEEDING WELL. AN EDUCATION AGREEMENT WILL BE SIGNED AT THE END OF THE MAY OR THE BEGINNING OF JUNE.

4. ON AFGHANISTAN, PAKISTANI SOURCE STATED THAT:

-- PAKISTANI INTELLIGENCE HAS OBTAINED INFORMATION FROM LOWER LEVEL AFGHAN BUREAUCRATS THAT SENIOR DRA OFFICIALS HAVE STRUCK MORE OF A CONFIDENT ATTITUDE FOLLOWING THE VISIT TO KABUL BY GENERAL YEPISHEV. DETAILS OF THE VISIT, HOWEVER, ARE HARD TO COME BY. YEPISHEV MET ONLY WITH TWO OR THREE TOP OFFICIALS IN THE GOVERNMENT. THE RESULTS OF THESE MEETINGS ARE BEING VERY CLOSELY HELD.

-- IT IS UNLIKELY THAT THE HELICOPTERS USED TO HELP SUPPRESS THE JALAHABAD MUTINY WERE FLOWN BY AFGHANS, SINCE THEY HAD ONLY RECENTLY ARRIVED IN KABUL. THEY WERE PROBABLY PILOTED BY SOVIETS. TOON
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RUMQRA/AMEMBASSY JIDDA 729
RUSBLK/AMEMBASSY KABUL 9202
RUSBKR/AMCONSUL KARACHI 7944
ZEN/AMCONSUL LAHORE POUCH
RUDTC/AMEMBASSY LONDON 3967
RUEHMO/AMEMBASSY MOSCOW 1319
RUSBAE/AMEMBASSY NEW DELHI 788
ZEN/AMCONSUL PESHAWAR POUCH
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LIMITED OFFICIAL USE ISLAMABAD 5532

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E.O. 12065: NA
TAGS: PINT, SHUM, PK
SUBJECT: BHUTTO'S "CHEHLUM" PASSES WITH FEW INCIDENTS

REF: ISLAMABAD 5303

1. FRIDAY, MAY 11 -- THE DAY CHOSEN BY THE BHUTTO FAMILY FOR 50TH DAY MEMORIAL CELEBRATIONS (CHEHLUM) FOR THE DEAD FORMER PRIME MINISTER -- PASSED WITH REPORTS OF NUMEROUS OBSERVANCES BUT WITH NO VIOLENCE.

2. IN THE ISLAMABAD/RAWALPINDI AREA, NUMEROUS COLLEGES CELEBRATED THE OCCASION WITH RITUAL PRAYERS (FATEHA), FOLLOWED BY THE TRADITIONAL DONATION OF FOOD TO THE NEEDY. SLOGANS OF SUPPORT FOR THE FALLEN LEADER INCLUDED THE USE OF THE TERM "SHAHEED" (MARTYR), BY WHICH BHUTTO IS BECOMING KNOWN. WHILE THE OBSERVANCES CONSTITUTED A TECHNICAL TRANSGRESSION OF THE MARTIAL LAW ORDERS PROHIBITING POLITICAL ASSEMBLY, NO POLICE DISRUPTION OR ARRESTS WERE REPORTED IN THE CAPITAL AREA.

3. AT THE BHUTTO FAMILY BURIAL GROUND AT NAUDERO, IN SIND, A LARGE NUMBER OF BHUTTO LOYALISTS AND FOLLOWERS, INCLUDING MOST NATIONAL PAKISTAN PEOPLES PARTY (PPP) FIGURES NOT IN DETENTION, GATHERED EARLY ON MAY 11 TO PAY HOMAGE TO THE PARTY'S LATE FOUNDER. A LARGE BUT EQUALLY PEACEFUL CROWD PAID THEIR RESPECTS AT THE BHUTTO FAMILY HOME IN CLIFTON IN KARACHI, DISPERSING ON THEIR OWN BY MID-DAY. ALL LEADERS MADE CLEAR THEIR VIEW THAT NEGUM NUSRAT BHUTTO, STILL DETAINED AT SIHALA IN PUNJAB, SHOULD BE FREED, AND ACTING PPP SECGEN WATTOO REAFFIRMED AT NAUDERO THAT THE WIDOW IS THE PARTY LEADER.

4. ELSEWHERE IN PAKISTAN, "CHEHLUM" OBSERVANCES APPEAR TO HAVE BEEN PEACEFUL, IN THE FACE OF A RATHER MINIMAL GOP SHOW OF FORCE.

5. COMMENT: IT IS OUR UNDERSTANDING THAT WHILE THE GOP MAY BE RELIEVED AT THE PEACEFUL PASSAGE OF THE "CHEHLUM," THERE IS AN UNDERCURRENT OF DISQUIET AMONG RANK AND FILE PPP MEMBERS THAT THE DAY WAS ALLOWED TO PASS WITHOUT SEEKING SOME MORE FORCEFUL WAY OF EXPRESSING THE PARTY FAITHFUL'S SENSE OF GRIEF AND NEED FOR REVENGE. CONSTABLE
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RUQMRA/AMEMBASSY JIDDA 778
RUSBLK/AMEMBASSY KABUL 9350
RUSBKR/AMCONSUL KARACHI 8174
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ZEN/AMCONSUL PESHAWAR POUCH
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LIMITED OFFICIAL USE ISLAMABAD 7074

E.O. 12065: NA
TAGS: PINT SHUM PK
SUBJECT: (U) ZIA SAYS IN BBC INTERVIEW HE "HOPES" TO HOLD ELECTION IN NOVEMBER

REFS: (A) ISLAMABAD 4521 (B) ISLAMABAD 6871

1. (U) IN A RADIO INTERVIEW RECORDED EARLIER BY BBC FOR BROADCAST JUNE 20, PRESIDENT ZIA UL-HAQ REITERATED HIS DETERMINATION TO RETURN PAKISTAN TO CIVILIAN RULE. THE PRESIDENT REPORTEDLY SAID HE "STILL HOPES" TO HOLD GENERAL ELECTIONS ON NOVEMBER 17.

2. (U) ENGLISH LANGUAGE PRESS GIVE FRONT-PAGE ATTENTION TO ZIA INTERVIEW ON 21 JUNE WITH PUBLICATION REUTERS STORY DATELINED LONDON IN WHICH ZIA IS SAID TO HAVE STATED HIS CONCERN THAT ELECTIONS PRODUCE "A GOVERNMENT ABLE TO RUN THE COUNTRY DEMOCRATICALLY, AT LEAST IN THE SHORT TERM."

3. (U) ON OTHER MATTERS, ZIA REPORTEDLY DENIED FORMER PRIME MINISTER BHUTTO WAS MISTREATED BEFORE HIS EXECUTION AND THAT HE (ZIA) DID NOT PARDON BHUTTO AS HE COULD NOT ALLOW ANY PERSON GET AWAY WITH MURDER. HE SAID HE HAS LOST NO SLEEP OVER THE BHUTTO DECISION. ZIA ALSO DEFENDED HIS INTRODUCTION OF FUNDAMENTALIST ISLAMIC STRUCTURES AND PRACTICES TO PAKISTAN, SAYING THE COUNTRY HAS LACKED COHESIVENESS DUE TO PREVIOUS GOVERNMENTS' LACK OF COMMITMENT TO ISLAM--AND THEIR ACCEPTANCE OF WESTERN INFLUENCES.

4. IN ANSWER TO A QUESTION, ZIA SAID HE SEES BENEFIT IN PAKISTAN'S REJOINING THE COMMONWEALTH BUT, HE ADDED, IT MUST BE AN "HONORABLE REENTRY", THE ARTICLE SAYS HE DID NOT AMPLIFY THAT REMARK.

5. (LOU) COMMENT: IT WILL LIKELY APPEAR TO SOME OBSERVERS THAT PRES. ZIA HAS WEAKENDED HIS PREVIOUS POSITION ON THE PROMISED NOVEMBER ELECTIONS. A MORE REALISTIC VIEW, WE BELIEVE, IS THAT ZIA IS NOW MAKING EXPLICIT WHAT WAS HERETOFORE IMPLICIT IN HIS POSITION, I.E., THAT ELECTIONS WILL BE HELD IF CONDITIONS IN THE PARTIES AND IN THE POLITY GENERALLY SO PERMIT. HIS OPTIONS REMAIN OPEN (REF A). BSC CORRESPONDENT ISLAMABAD ATTEMPTING TO OBTAIN FOR EMBASSY FULL TEXT OF BBC INTERVIEW. ON CHANCE HE FAILS, CAN EMBASSY LONDON FOLLOW UP SUCCESS WITH BENAZIR INTERVIEW WITH TRANSCRIPT OF ZIA RADIO INTERVIEW?

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C O N F I D E N T I A L SECTION 1 OF 2 ISLAMABAD 7075

FOL TEL DATED 21 JUN 79 SENT ACTION ISLAMABAD INFO LAHORE PESHAWAR REPEATED FOR YOUR INFO QUOTE:

C O N F I D E N T I A L SECTION 1 OF 2 KARACHI 3627

EO 12065: RDS-4 6/20/99 (BRIMS, JS) OR-P
TAGS: SREF PK AF PINT
SUBJ: (C) LAW AND ORDER IN BALUCHISTAN - GROWING CONCERN AND TENSION OVER AFGHANISTAN

REF: ISLAMABAD A-113, ISLAMABAD 4208

1. (C) - ENTIRE TEXT

2. SUMMARY. THE RECENT TIDE OF AFGHAN REFUGEES SWEEPING INTO BALUCHISTAN HAS HEIGHTENED CONCERN THERE OVER THE CONFLICT ACROSS THE BORDER. DEBATE OVER WHAT THE MARTIAL LAW ADMINISTRATION IS DOING AND SHOULD DO VIS-A-VIS AFGHANISTAN REFLECTS AND EXACERBATES DIVISIONS WITHIN THE PROVINCE AND BETWEEN THE PROVINCE AND THE FEDERAL GOVERNMENT. IN THIS DEBATE, THE REFUGEES THEMSELVES ARE BECOMING AN ISSUE. ODDS THAT TENSIONS OVER AFGHANISTAN WILL SPARK VIOLENCE IN BALUCHISTAN MAY RISE [illegible]EN WHEN THE ELECTION CAMPAIGN BEGINS. MUCH COULD DEPEND ON HOW THE US COMMITMENT TO PAKISTAN IS PERCEIVED.

A MULTIPLIER EFFECT
3. FIVE MONTHS BEFORE NATIONAL ELECTIONS, OUR TALKS WITH RESIDENTS OF BALUCHISTAN SHOW THEM NOT PREOCCUPIED BY THE SPILLOVER FROM AFGHANISTAN THAN BY THE PROSPECT OF GOING TO THE POLLS. THE EVENTS ACROSS THE BORDER ARE REAL AND IMMEDIATE WHEREAS THE ELECTIONS NOVEMBER 17 ARE A MUCH-DOUBTED PROMISE. BEHIND PEOPLE'S CONCERN IS THE BELIEF THAT PAKISTANI INVOLVEMENT IN AFGHANISTAN CAN HAVE A MULTIPLIER EFFECT ON BALUCHISTAN BECAUSE OF THE PROVINCE'S INTERNAL INSTABILITY.

THE TIDE OF REFUGEES
4. UNTIL THIS SPRING, THE TIDE OF REFUGEES FROM NORTH AND WEST OF THE DURAND LINE FLOWED INTO THE NORTHWEST FRONTIER PROVINCE. THEN, IN APRIL OR MAY, THE EFFLUX FROM AFGHANISTAN BEGAN A SECOND CHANNEL TO THE SOUTH, PERHAPS REFLECTING A GEOGRAPHIC SHIFT IN THE FIGHTING IN THE BORDER AREA. ON ONE DAY A WAVE OF AS MANY AS 12,000 PERSONS REPORTEDLY CAME ACROSS INTO BALUCHISTAN. THE CHIEF SECRETARY OF THE PROVINCE ASSERTS THAT BALUCHISTAN AND THE FRONTIER NOW SHARE ABOUT EQUALLY A TOTAL OF 100,000 REFUGEES. OTHERS ESTIMATE A LOWER BUT STILL SUBSTANTIAL FIGURE FOR BALUCHISTAN.

5. THE UPSURGE OF AFGHAN REFUGEES HAS COINCIDED WITH INCREASING CLEAVAGES OVER THE GOVERNMENT'S ROLE IN DEALING WITH THE INSURGENCY. PERCEPTIONS DIFFER OF WHAT ISLAMABAD IS DOING AND WHAT IT SHOULD DO. THE DEBATE BOTH REFLECTS AND EXACERBATES DIVISIONS WITHIN THE PROVINCE AND BETWEEN THE PROVINCE AND THE CENTRAL GOVERNMENT.

DIFFERENCE OF OPINIONS

6. THE DIFFERENCE OF OPINIONS APPEARS TO FOLLOW A LEFT-RIGHT PATTERN. MEMBERS OF THE PAKISTAN PEOPLE'S PARTY AND THE PAKISTAN NATIONAL PARTY, ON THE "PROGRESSIVE" END OF THE POLITICAL SPECTRUM, BELIEVE THAT THE MARTIAL LAW ADMINISTRATION IS AIDING THE MUJAHIDS IN THEIR FIGHT TO OVERTHROW THE REGIME IN KABUL. AN URBANE FORMER PROVINCIAL MINISTER FOR THE PPP SAID THAT, IF THE MLA IS SERIOUS IN ITS DENIALS OF SUPPORT FOR THE INSURGENTS, IT SHOULD SEAL THE BORDER. HE ARGUED THAT THE GOVERNMENT COULD MOVE THE REFUGEE CAMPS INLAND AS FAR AS PUNJAB OR SIND TO PREVENT THEIR CONTINUING TO BE A POTENTIAL SOURCE OF PROVOCATION TO KABUL. THE OPPOSITE POINT OF VIEW, THAT THE MLA IS HELPING THE MUJAHIDS BUT SHOULD DO MORE, GENERALLY COMES FROM MEMBERS OF THE PAKISTAN NATIONAL ALLIANCE AND OTHER CONSERVATIVE PARTIES. FOR EXAMPLE, THE PERSONAL ASSISTANT TO TEHRIK-E-ISTIQLAL PRESIDENT ASGHAR KHAN ASKED US WHY THE US CIA HAS NOT ENGINEERED A COUP D'ETAT AGAINST TARAKI.

DIVISIONS--HISTORICAL . . .

7. SOME OF THE DIVISIO[illegible] REFLECTED AND EXACERBATED BY AFGHANISTAN ARE HISTO[illegible]AL. ALTHOUGH WE HAVE YET TO MEET AN ADVOCATE OF GREATER BALUCHISTAN WHO WILL CONFESS HIS VIEWS TO US DIRECTLY, FORMER GOVERNOR OF BALUCHISTAN AKBAR KHAN BUGTI AND OTHERS TOLD US THAT A SIGNIFICANT NUMBER OF BALUCHIS STILL HARBOR AMBITIONS TO UNITE THE BALUCHI PROVINCES OF IRAN, AFGHANISTAN AND PAKISTAN INTO A SINGLE NATION, POSSIBLE INCLUDING SI[illegible]. BUGTI SAID THAT THESE PEOPLE BELIEVE THE AFGHAN REVOLUTION HAS STRENGTHENED THEIR CAUSE, THAT THEY LOOK TO THE TARAKI REGIME AND THE SOVIETS FOR SUPPORT, OVERT OR COVERT, AND THAT THEY MIGHT TAKE ADVANTAGE OF POLITICAL DISTURBANCES WITHIN PAKISTAN TO BEGIN AN OPEN STRUGGLE AGAINST THE MLA. OTHER BALUCHIS, WHO SEEK GREATER AUTONOMY FOR BALUCHISTAN WITHIN PAKISTAN BY CONSTITUTIONAL MEANS, HAVE TOLD US THAT PAKISTAN MARTIAL LAW ADMINISTRATION SUPPORT FOR THE AFGHAN INSURGENTS MAY ALREADY HAVE STIRRED RETALIATORY SOVIET DABBLING IN BALUCHISTAN. NOT A FEW GO SO FAR AS TO ENVISION THE PROVINCE BECOMING A BATTLEGROUND FOR THE SUPER POWERS. SINCE ILLOGIC AND EGOCENTRISM ARE STRONG, THESE PERSONS SHOW LITTLE INCLINATION TO QUESTION THEIR DOOMSDAY VISIONS OF SOVIET TANKS AND INFANTRY DIVISIONS BEARING DOWN ON QUETTA IN A RACE TO THE "HOT WATER PORTS.

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...SOCIOLOGICAL...
8. OTHER DIVISIONS ARE SOCIOLOGICAL. BALUCHISTAN REMAINS LAREGELY A TRIBAL SOCIETY BUT ONE THAT IS BEING THREATENED BY CHANGE. ON THE ONE HAND WE TALKED TO TRIBAL LEADERS WHO SAID THAT THE FIGHTING IN AFGHANISTAN IS A CRUSADE TO PRESERVE ISLAM AND A WAY OF LIFE, ON THE OTHER TO PERSONS WHO REBELLED AGINST THE UNJUST RULE OF TRIBAL LEADERS AND PRAISED THE TARAKI GOVERNMENT'S EFFORTS TO DO AWAY WITH THE WORST FEATURES OF THE TRIBAL SYSTEM IN AFGHANISTAN. CLEARLY, PEOPLE OF BALUCHISTAN APPEAR TO BE LINING UP FOR OR AGAINST TARAKI PARTLY ON THE BASIS OF THEIR ATTITUDES TOWARD THE SOCIAL STRUCTURE OF BALUCHISTAN.

...AND ETHNIC
9. ALTHOUGH OUR EVIDENCE IS SKETCHY, WE BELIEVE FROM TALKS IN KARACHI AND QUETTA THAT DESPITE CROSS CURRENTS THE AFGHAN REVOLUTION, ADDITIONALLY, MAY BE DIVIDING THE ETHNIC BALUCHIS AND PATHANS. THE RIVALRY BETWEEN THESE TWO LARGEST GROUPS OF THE PROVINCE SURFACED CONSTANTLY IN CONVERSATIONS. WE DISCERNED A GREATER DEGREE OF SUPPORT FOR TARAKI AMONG THE REPRESENTATIVES OF THE ROUGHLY 50 PERCENT BALUCH POPULATION THAN AMONG THOSE OF THE APPROXIMATELY 40 PERCENT PATHAN. INTERESTINGLY, THE HEAVIEST CONCENTRATION OF REFUGEES IS IN THE NORTHERN DISTRICTS, WHERE THE PATHANS ARE IN THEMAJORITY. TO CROSS DIRECTLY INTO THE AREAS WHERE BALUCHIS PREDOMINATE THE REFUGEES WOULD HAVE TO TRAVERSE A VIRTUALLY IMPASSABLE DESERT.

GOVERNMENT CAUTION
10. THE GOVERNMENT APPEARS TO BE AWARE THAT IT MUST WALK A TIGHTROPE IN DEALING PUBLICLY WITH THE INSURGENCY IN AFGHANISTAN. IN TWO MEETINGS WITH US, FORMER FEDERAL MINISTER FOR LOCAL BODIES KHAN MOHAMMED ZAMAN KHAN ACHAKZAI PRAISED THE "CORRECT" WAY IN WHICH THE MLA HAS ACTED. HE EMPHASIZED THAT HUMANITARIAN ASSISTANCE TO THE REFUGEES IN THE LIMIT OF THE GOVERNMENT'S INVOLVEMENT. MANY OPPONENTS OF THE MLA, HOWEVER, TOLD US THEY ARE NOT SO SURE. THEY BELIEVE THAT PRESIDENT ZIA-UL-HAQ, THE SON OF A MAULVI, IS IDEOLOGICALLY MOTIVATED TO FAVOR THE ISLAMIC REBELS, AND THAT THE PAKISTAN ARMY CANNOT SIT ON ITS HANDS WHILE AN OPPORTUNITY EXISTS TO ELIMINATE A HOSTILE NEIGHBORING REGIME.

THE REFUGEES AS AN ISSUE
11. THE REFUGEES THEMSELVES ARE BECOMING AN ISSUE IN THE GOVERNMENT'S RELATIONS WITH THE PEOPLE OF BALUCHISTAN. ALTHOUGH CAMPS EXIST [illegible] THEM, MANY AFGHANS LIVE OUTSIDE THEIR CONFINES. ANIMALS HAVE TO HAVE SPACE TO GRAZE, AND THE REFUGEES HAVE BROUGHT WITH THEM ALMOST THE NUMBER OF CAMELS, SHEEP, GOATS AND DONKEYS AS THER ARE OF THEMSELVES. THE DISPERSION OUTSIDE CAMPS MAKES IT DIFFICULT FOR THE GOVERNMENT TO EXERCISE CONTROL AND CREATES SUSPICIONS THAT THE GOVERNMENT DOES NOT WISH TO DO SO. IT IS ALSO CREATING TENSION BETWEEN THE AFGHANS AND PAKISTANIS OVER GRAZING RIGHTS, EVEN WITH

ITS NORMAL POPULATION, THE LAND IS BARELY CAPABLE OF SUBSISTENCE. SO FAR THE HOSPITALITY OF THE NATIVES HAS OVERCOME THE IRRITATIONS. BUT IF THE NUMBER OF REFUGEES CONTINUES TO SWELL AND THEIR STAY LOOKS TO BECOME PERMANENT, THE GOVERNMENT WILL HAVE TO DEVISE POLICIES TO SETTLE THEM OVER A WIDER AREA.

ELECTION VIOLENCE.

12. THE ODDS THAT AFGHANISTAN WILL BE THE SPARK FOR VIOLENT TROUBLES IN BALUCHISTAN MAY SHORTEN WITH THE BEGINNING OF THE ELECTION CAMPAIGN. IN A DISCUSSION WITH US, THE PROVINCIAL INSPECTOR GENERAL OF POLICE MADE NO SECRET OF HIS BELIEF THAT LAW AND ORDER WOULD BE BETTER PRESERVED WERE THE ELECTIONS TO BE POSTPONED. RECENT STATEMENTS BY THE BALUCHI NATIONALIST LEADER OF THE PAKISTAN NATIONAL PARTY, MIR GHOUS BUX BIZENJO, SUGGEST THE TYPE OF RHETORIC THAT COULD INFLAME PASSIONS. AT THE PNP'S CONVENTION IN KARACHI JUNE 1, BIZENJO REPORTEDLY SAID THAT THE PROGRESSIVES AND DEMOCRATS OF PAKISTAN WILL RISE TO DEFEND THE REVOLUTION OF THE AFGHAN PEOPLE IF THE COUNTERREVOLUTIONARIES WILL NOT DESIST FROM THEIR ACTIVITIES. KHAIR BUX MARRI, THE LEADER OF THE IMPORTANT MARRI TRIBE, WHO IS SAID TO CONSIDER HIMSELF THE CHE GUEVARA OF BALUCHISTAN, IS A POTENTIAL LEADER OF A GUERRILLA-STYLE INSURGENCY. ECONOMIC DISSATISFACTION IN THE PROVINCE COULD CREAST CONDITIONS FAVORABLE TO DISTURBANCES. TO DATE, HOWEVER, THE PROVINCE IS QUIET.

THE US

13. WHETHER BALUCHISTAN ERUPTS COULD DEPEND ON THE TROUBLEMAKERS' PERCEPTION OF THE STRENGTH OF THE US COMMITMENT TO PAKISTAN. THE BELIEF THAT THE US HAS ABANDONED PAKISTAN EMBOLDENS SOME, POSSIBLY INCLUDING BIZENJO, WHO THINK THEIR BEST INTEREST LIE IN MAKING AN ACCOMMODATION NOW WITH THE SOVIET UNION. UNFORTUNATELY, MOST OF THOSE WE TALK TO FROM BALUCHISTAN EXPRESS THE OPINION THAT THE US HAS DESERTED HER FRIENDS. THE REASONS ADVANCED INCLUDE THE STANDARD REFERENCES TO LACK OF US SUPPORT FOR PAKISTAN IN 1965 AND 1971, ALLEGED US FAILURE TO STAND UP TO THE SOVIETS IN ANGOLA, ETHIOPIA AND AFGHANISTAN, US "OPPOSITION" TO THE MUSLIM WORLD AND THE US CUT-OFF OF AID TO PAKISTAN.

14. DESPITE THE CRITICISM, MUCH GOOD WILL TOWARD THE US REMAINS. IMPORTANT SEGMENTS OF BALUCHISTAN SOCIETY PREFER TO RETAIN GOOD RELATIONS WITH THE US. THESE INCLUDE GOVERNMENT OFFICIALS (ADMITTEDLY MOSTLY PUNJABI), BUSINESS PEOPLE AND MANY TRIBAL LEADERS. ALTHOUGH HIGHLY CRITICAL OF RECENT AMERICAN ACTIONS, THEY CONTINUE TO HOPE THAT THE US WILL COME TO PAKISTAN'S ASSISTANCE IN THE EVENT OF SOVIET-INSPIRED SUBVERSION OR ATTACK. THE DIFFICULT TASK WE FACE IS TO PUBLICIZE TO THESE PERSONS AS WELL AS TO POTENTIAL QUISLINGS THAT THE US REMAINS COMMITTED TO PAKISTAN'S TERRITORIAL INTEGRITY, INDEPENDENCE AND STABILITY WITHOUT IDENTIFYING OURSELVES WITH THE UNPOPULAR MLA. THIS TASK IS BOTH COMPLICATED AND HELPED BY THE ZIA GOVERNMENT'S EFFORTS TO SHOW THE PUBLIC ITS ARMS-LENGTH STANCE TOWARD THE US WHILE IT NEGOTIATES ENTRY INTO THE NON-ALIGNED MOVEMENT; COMPLICATED BECAUSE WE OFTEN FIND OUR GESTURES OF SUPPORT REJECTED BY THE MLA, AND HELPED BECAUSE ZIA'S TROUBLED RELATIONS WITH THE US ARE SEIZED ON AS EVIDENCE THAT THE US FAVORS AN ALTERNATIVE REGIME. MOST DAMAGING IN THE LONG RUN WOULD BE OUR FAILURE TO COME TO THE AID OF PAKISTAN IN A SITUATION WHICH WE HAVE INDICATED WOULD ENGAGE OUR PLEDGE UNDER THE 1959 BILATERAL PACT. SUCH US INACTION COULD RESULT WERE PAKISTAN NOT TO HAVE CLEAN HANDS. UNQUOTE KING

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MILITARY ADDRESSEES ALSO FOR POLAD

E.O. 12065: GDS 6/20/85 (SHERMAN, R) OR-P
TAGS: MILI, MPOL, PEPR, PK, US
SUBJ: (C) COMIDEASTFOR VISIT EXPOSES STRENGTH OF SUPPORT FOR US-PAK TIES AMONG MILITARY SERVICES

REF: ISLAMABAD 6906 NOTAL

1. (C) - ENTIRE TEXT.

2. RADM SAMUEL H. PACKER, COMMANDER MID-EAST FORCES (COMIDEASTFOR), PAID HIS FAREWELL CALLS IN PAKISTAN 16-20 JUNE. THE FOUR-DAY, HIGH-VISIBILITY VISIT WAS CHARACTERIZED BY AN OVERWHELMING SHOW OF WARM CAMARADERIE AND OF RESPECT BY PAKISTAN'S MILITARY LEADERS FOR THE AMERICAN MILITARY IN GENERAL AND FOR THE US NAVY IN PARTICULAR.

3. PACKER VISITED KARACHI, ISLAMABAD, LAHORE, AND PESHAWAR DURING THE STAY AND WAS GRANTED HIGH MILITARY COURTESIES AND FETED GRANDLY AT EACH STOP. HE WAS ENTERTAINED BY THE THREE TOP PAK NAVY (PN) ADMIRALS AND WAS GREETED BY

CHIEFS OF NAVIES ONLY). AT DINNERS HOSTED BY THE PN CHIEFS GUESTS INCLUDED TOP-RANKING CIVILIAN GOP FIGURES SUCH AS FOOD AND AGRICULTURE MINISTER RADM. JANJUA, FOREIGN SECRETARY SHAHNAWAZ, AND CHIEF JUSTICE ANWAR UL-HAQ. IN TOASTS ON THESE OCCASIONS, THE PAK NAVY COMMANDERS REPEATEDLY EXPRESSED THE WARM RELATIONSHIP THE PN AND THE USN HAVE ALWAYS SHARED AND THEIR HOPES FOR ITS CONTINUATION.

4. IN PRIVATE CONVERSATIONS WITH PACKER, PN CHIEF ADM. NIAZI SPOKE FRANKLY OF HIS SERVICE'S NEED FOR ADDITIONAL GEARING CLASS DESTROYERS -- SAYING THAT WITHOUT THE FOUR ADDITIONAL SHIPS PROMISED THE PN MAY BE REDUCED TO ONLY TWO OPERATIONAL SURFACE COMBATENTS SOON. (IRONICALLY, THE TWO ARE THE GEARINGS RECENTLY DELIVERED). OPERATIONALLY, THE PAK NAVY LEADERS TOLD PACKER THAT THE PRESENT SHIP VISIT FREQUENCY CAN BE MAINTAINED COMFORTABLY; AN INCREASE, HOWEVER, COULD PROVE DIFFICULT FOR THE GOP. UNSPECIFIED IN THIS WAS WHETHER THE DIFFICULTY WOULD BE POLITICAL OR A MATTER OF PHYSICAL RESTRAINTS ON KARACHI PORT FACILITIES, OR BOTH.

5. ON THE NUCLEAR ISSUE, SENIOR PN PERSONNEL SPOKE MORE IN SORROW THAN IN ANGER OVER THE "UNFORTUNATE" AMERICAN DECISION; PACKER AND EMBASSY OFICERS MADE THE POINT THAT THE PROBLEM IS NOT BROUGHT ABOUT BY A US DECISION ALONE, SINCE IT IS THE PAKISTAN DECISION TO DEVELOP A NUCLEAR WEAPONS CAPABILITY -- IN THE FACE F OUR STRONG OPPOSITION AND AT THE EXPLICIT RISK OF THEIR LINKS WITH THE US -- WHICH HAS FORCED THE US DECISION ON AID, ETC. NOWHERE NEAR THE CENTER OF PAK DECISION- MAKING ON THE NUCLEAR ISSUE, NIAZI (LIKE MANY OF OUR CONTACTS) NONETHELESS EXPRESSED INCREDULITY THAT THE US WOULD ALLOW ITS NON-PROLIFERATION CONCERNS TO OVERRIDE SERIOUS CONCERN HERE AND ELSEWHERE (INCLUDING WASHINGTON) OVER INSTABILITY AND SOVIET GAINS IN THE REGION.

6. COMMENT: THE VISIT WAS INDEED REMARKABLE FOR THE INTENSITY OF GOODWILL EXPRESSED BY THE PAK NAVY. ADMITTEDLY, THEY WANT THE GEARING, BUT IT WENT DEEPER. THE NAVY-TO-NAVY RELATIONSHIP BETWEEN OUR COUNTRIES IS GENUINELY STRONG AND ABIDING -- EVEN AT THIS LOW POINT IN OUR RELATIONSHIP. THE CEREMONIES WERE COVERED BY PAK TELEVISION AND BROADCAST NATIONALLY -- THE FIRST SUCH COVERAGE IN SIX MONTHS.

-- THE NAVY, AND THE MILITARY IN GENERAL, SEEMED TO BE UNDERSCORING ZIA POINT AT OUR RECENT NATIONAL DAY RECEPTION WHEN HE TOOK THE LONG VIEW OF US-PAKISTAN RELATIONS AND EXPRESSED HOPE ABOUT THE FUTURE.

KING

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TO RUEHC/SECSTATE WASHDC 3598
INFO RUSBKR/AMCONSUL KARACHI 8284
ZEN/AMCONSUL LAHORE POUCH
ZEN/AMCONSUL PESHAWAR POUCH
RUDTC/AMEMBASSY LONDON 1358
RUEHMO/AMEMBASSY MOSCOW 1388
RUSBAE/AMEMBASSY NEW DELHI 977
RUFNPS/AMEMBASSY PARIS 3884
RUQMHR/AMEMBASSY TEHRAN 5298
RUQMTI/AMEMBASSY TRIPOLI 123
RUFHLNJ/AMEMBASSY NDJAMENA 985
RUQMKM/AMEMBASSY KHARTOUM 867
RUEHOS/AMEMBASSY LAGOS 189
RUTAAN/AMEMBASSY DAR ES SALAAM 851
BT
C O N F I D E N T I A L ISLAMABAD 7232

E.O. 12065: RDS-1 25/6/99 (HAGERTY, HG) OR-P
TAGS: PEPR PK LY CD
SUBJECT: (C) GOP-EMBASSY EXCHANGE ON CHAD

REFS: (A) ISLAMABAD 5892(NOTAL) (B) STATE 163353 (NOTAL)

1. (C) ENTIRE TEXT; PROTECT FBI.

2. EMBOFF SHERMAN SHARED WITH MFA AFRICA DIRECTOR, MOIN JAN NAIM (STRICTLY PROTECT), SUBSTANCE OF REF B ON 26 JUNE. NAIM MOST APPRECIATIVE OF SITUATION REPORT AND, IN EXCHANGE, SHARED WITH US DRAFT REPORT HE IS PREPARING FOR PRES. ZIA UL-HAQ.

3. SUBSTANCE OF MFA REPORT ON CHAD EMPHASIZED PAKISTAN'S TWO MAJOR CONCERNS IN THAT AREA: (1) PREOCCUPATION WITH DANGER OF PAKISTANI TROOPS AND/OR CIVILIANS WORKING IN LIBYA BECOMING INVOLVED IN CONFLICT; AND (2) A LARGER DISQUIET WITH THE LIBYANS' PRETENTIONS IN WEST-CENTRAL AFRICA AND THE PORTENT THIS HAS FOR GOP RELATIONS IN AFRICA.

--ON FIRST POINT, NAIM SAID (AND HIS REPORT REFLECTS) GOP CONCERN THAT THEY MAY, ANY DAY, RECEIVE REPORTS OF THEIR PEOPLE BEING INVOLVED IN CHAD--EITHER INADVERTENTLY OR BY LIBYAN DESIGN. NAIM POINTED OUT

THAT MFA PERSONNEL HAD A FEW SLEEPLESS NIGHTS DURING RECENT SORTING-OUT OF IDI AMIN'S FORCES IN UGANDA. THERE AAS REAL FEAR, HE SAYS, THAT SOME PAKISTANIS MIGHT HAVE BEEN KILLED OR CAPTURED BY INVADING TANZANIAN FORCES. (NOTE: NAIM STATED NO OFFICIAL PERMISSION WAS GIVEN TO LIBYA TO USE PAKS IN UGANDA; NOR DIT THE MFA KNOW OF ANY SUCH PARTICIPATION).

--ON THE SECOND POINT, NAIM USED STRONG LANGUAGE VERBALLY AND IN HIS REPORT TO DESCRIBE QADHAFFI'S MISCHIEF IN THE REGION. HE CALLED THE LIBYAN LEADER A "MADMAN" WHO HAS RUNINED HIS OWN REPUTATION IN SUB-SAHARAN AFRICA AND SEEMS "BENT ON RUINING OURS." NAIM MENTIONED A MID-1970'S MAP PUBLISHED BY THE LIBYANS SHOWING "GREATER LIBYA" INCLUDING CHAD, NIGER, PARTS OF UPPER VOLTA, PARTS OF ALGERIA, TUNISIA, AND THE FORMER SPANISH SAHARA. NAIM BELIEVES THIS GRAND DESIGN IS REALLY WHAT QADHAFFI HAS IN MIND IN HIS CHAD ADVENTURES.

4. NAIM DESCRIBED MFA'S FRUSTRATIONS IN ATTEMPTING TO OBTAIN GOOD DATA ON WHAT IS HAPPENING IN CHAD. HE SAID NORMAL CONTACT IS VIA THE PAK EMBASSY IN KHARTOUM WHICH IS ACCREDITED TO NDJAMENA. PAK AMBASSADOR HOWEVER, HAS BEEN UNABLE TO VISIT CHAD IN OVER A YEAR, AND THE CHAD AMBASSADOR IN KHARTOUM, NAIM SAYS, HAS BEEN OUT OF TOUCH WITH HIS CAPITAL FOR THE SAME PERIOD. NAIM BELIEVES THE CHAD EMBASSY OFFICERS IN KHARTOUM ARE NOT EVEN GETTING PAID AND ARE SUPPORTED BY THE GOVERNMENT OF SUDAN. CHAD HAS NOT BEEN REPRESENTED AT ANY ISLAMIC CONFERENCES IN THE PAST YEAR, NOR AT THE NAM MEETINGS; NEITHER HAS THE GOP BEEN ABLE TO MAKE CONTACT AT THE U.N. WHERE, NAIM SAYS, THE CHADIANS HAVE NOT BEEN ATTENDING SESSIONS AND ARE SINGULARLY UN-COMMUNICATIVE.

5. COMMENT: NAIMS STRONG WORDS FOR QADHAFFI--"MADMAN" --AND HIS VIVID DESCRIPTION OF GOPS CONCERNS SQUARE WITH PREVIOUS PERIPHERAL REMARKS MADE TO US BY GOP OFFICIALS ON THE "LIBYAN CONNECTION." PAKISTANI OFFICIALS, WHILE RECOGNIZING THE WELCOME ECONOMIC BENEFITS THEY GAIN FROM THE ASSOCIATION, ARE OBVIOUSLY CONCERNED ABOUT THE GREAT POTENTIAL FOR DAMAGE FOR GOP FOREIGN RELATIONS INHERENT IN THE RELATIONSHIP. SPECIFICALLY, THEY ARE ANXIOUS TO PREVENT INJURY TO AND EXTRANEOUS INVOLVEMENTS BY PAKISTANIS SERVING IN LIBYA; IN ADDITION, THEY FEAR THE POSSIBILITY OF PAKISTAN'S BEING PAINTED WITH THE SAME BRUSH AS QADHAFFI AT FORTHCOMING NAM AND UN SESSIONS.

KING

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FM AMEMBASSY ISLAMABAD
TO RUEHC/SECSTATE WASHDC IMMEDIATE 3609
RUEADWW/WHITE HOUSE WASHDC IMMEDIATE
INFO RUSBKR/AMCONSUL KARACHI 8210
ZEN/AMCONSUL LAHORE 6398
ZEN/AMCONSUL PESHAWAR POUCH
RUQMHR/AMEMBASSY TEHRAN 5294
RUEHIA/USICA WASHDC
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C O N F I D E N T I A L

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LIMITED OFFICIAL USE ISLAMABAD 7270

WHITE HOUSE FOR NSC (THORNTON); DEPT FOR NEA

E.O. 12065: NA
TAGS: OVIP SOPN US PK
SUBJECT: (U) VISIT TO PAKISTAN OF READERS DIGEST EDITOR WILLIAM GRIFFITH

REF: USICA WASH 45825

1. (U) THIS IS AN ACTION MESSAGE

2. (LOU) PAO HAS RECEIVED TRAFFIC RELATING TO A VISIT TO PAKISTAN 6-10 JULY OF READERS DIGEST EDITOR WILLIAM E. GRIFFITH, ALL OF IT WITH INDICATIONS THAT GRIFFITH IS TO TO GIVEN VIP TREATMENT, AFFORDED ACCESS TO HIGHEST LEVELS OF GOP, ETC. WE ARE, OF COURSE, PROCEEDING ON THAT BASIS.

3. (LOU) IT STRIKES US THAT OUR EFFORTS TO PROMOTE HIGH-LEVEL ACCESS HERE COULD BE ASSISTED CONSIDERABLY WERE THE PAK EMBASSY IN WASHINGTON INFORMED AT HIGH LEVEL OF THE PENDING VISIT AND OF GRIFFITH'S BACKGROUND AND ASSOCIATIONS AND ASKED TO ALERT GOP BY CABLE. (EXEMPT)

KING

BT
#7270

PoC change

29 Jun 79 06 39z chron

NNNNVV ESA712MJC240
PP RUQMHR
DE RUSBQD #7335/1 1791200
ZNY CCCCC ZZH
P R 281107Z JUN 79
FM AMEMBASSY ISLAMABAD
TO RUEHC/SECSTATE WASHDC PRIORITY 3634
RUFNPS/AMEMBASSY PARIS PRIORITY 3089
INFO RUSBLK/AMEMBASSY KABUL 9377
RUSBKR/AMCONSUL KARACHI 8222
ZEN/AMCONSUL LAHORE
ZEN/AMCONSUL PESHAWAR
RUDTC/AMEMBASSY LONDON 4066
RUSBAE/AMEMBASSY NEW DELHI 989
RUQMHR/AMEMBASSY TEHRAN 5299
RUHQHQA/CINCPAC HONOLULU HI
BT
C O N F I D E N T I A L SECTION 1 OF 2 ISLAMABAD 7335

LIMDIS

CINCPAC FOR POLAD; KARACHI FOR RSS

E.O 12065: GDS 6/27/85 (SHERMAN, RICK) OR-P
TAGS: PINS, ASEC, MNUC, PEPR, PDIP, PK, FR
SUBJ: (C) FRENCH DIPLOMATS BEATEN IN INCIDENT NEAR ALLEGED NUCLEAR SITE

REF: ISLAMABAD 12497

1. (C) ENTIRE TEXT.

2. SUMMARY: FRENCH AMBASSADOR TO ISLAMABAD LE GOURRIEREC AND HIS FIRST SECRETARY (POLITICAL) JEAN FORLOT WERE ATTACKED BY THUGS AS THEY DROVE NEAR VILLAGE OF KAHUTA ON THE EVENING OF JUNE 26. FORLOT, WHO WAS KNOCKED UNCONSCIOUS IN THE FRAY, ATTRIBUTES THE ATTACK TO A GOP ATTEMPT TO DISCOURAGE FOREIGNERS VISITING THE AREA AROUND THE ALLEGED NUCLEAR ENRICHMENT SITE AT KAHUTA. END SUMMARY.

3. JEAN FORLOT EXPLAINED TO EMBOFF JUNE 28 THAT ON THE EVENING OF JUNE 26 AT APPROXIMATELY 6:45 PM AMBASSADOR LE GOURRIEREC AND HE WERE RETURNING TO ISLAMABAD FROM A DRIVE TO THE KAHUTA AREA (30 MILES NE OF ISLAMABAD) WHEN THEY WERE SET UPON BY THUGS AND BEATEN UP. FORLOT HAD VISITED AREA LATE IN 1978 AT WHICH TIME HE AND AUSTRALIAN COLLEAGUE OBTAINED PHOTOS OF ALLEGED NUCLEAR FACILITY (REF A). FORLOT AND HIS AMBASSADOR HAD DISCUSSED FACILITY ON OCCASION OF EC AMBASSADOR'S MEETING LAST WEEK IN WHICH NUCLEAR PRETENSIONS OF GOP WERE MAIN SUBJECT. FORLOT VOLUNTEERED TO DRIVE AMBASSADOR TO AREA TO SEE LOCATION AND, INCIDENTLY, TO VIEW PARTICULARLY LOVELY COUNTRYSIDE. FORLOT POINTS OUT THAT ROAD IS OPEN TO PUBLIC AND IS HIGHLY RECOMMENDED AS SCENIC DRIVE BY POPULAR ISLAMABAD TOUR BOOK.

[redacted] ISLAMABAD APPROXIMATLEY 4 PM AND DROVE TO KAHUTA, STOPPING AT RECOMMENDED SCENIC SITES. THEY HAD NO CAMERAS AND DID NOT GET OUT OF CAR AT ANY STOP. AS THEY DEPARTED VILLAGE OF KAHUTA FOR RETURN TRIP, FORLOT (DRIVING HIS OWN CAR WITH CG TAGS) SAW SMALL YELLOW JAPANESE CAR WITH FOR OCCUPANTS FOLLOWING HIM. HE SLOWED TO LET THEM PASS. ON A DESERTED STRETCH OF ROAD BETWEEN KAHUTA AND SIHALA, HE AGAIN SAW CAR STOPPED AHEAD. TRUCK COMING OPPOSITE DIRECTION WAS STOPPED NEXT TO YELLOW CAR EFFECTIVELY BLOCKING ROAD. FORLOT STOPPED AND WAS PREPARING TO REVERSE HIS CAR WHEN MOTORCYCLE WITH TWO MEN PULLED UP BEHIND, BLOCKING ESCAPE.

5. FOUR MEN FROM CAR AND TWO FROM BIKE APPROACHED CAR AND TRIED TO OPEN DOORS. THEY REACHED IN AND MANAGED TO PULL OCCUPANTS OUT OF CAR. FORLOT SAYS HE WAS FELLED BY BLOW AND LOST CONSCIOUSNESS EARLY IN THE RUMBLE. HE REMEMBERS ENOUGH TO SAY THE ASSAILANTS WERE ALL DRESSED IN SHALWAR (TRADITIONAL DRESS) AND "WERE NOT PARTICULARLY STRONG, AS IT TOOK MANY OF THEM TO EXTRACT EVEN THE OLD AND SICKLY AMBASSADOR FROM THE CAR;" THEY USED NO WEAPONS AT ANY TIME. FORLOT SAYS THEY WERE NOT "MILITARY" IN APPEARANCE BUT LOOKED LIKE "TYPICAL ROADAGENTS - COONDAS."

6. IN DESCRIBING THE BEATING HE AND HIS AMBASSADOR TOOK, FORLOT SAID THE ASSAILANTS WERE OBVIOUS "PROFESSIONALS" AS THEY BEAT AND KICKED SELECTIVE BODY AREAS TO AVOID TOO MUCH VISIBLE DAMAGE. THE AMBASSADOR SUFFERED A CHIPPED TOOTH, BRUSIES, AND CONTUSIONS, WHILE FORLOT HAS, IN ADDITION TO BRUISES, A "CRACKED SKULL."
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29 Jun 79 05 42z

VV ESA705MJC209
PP RUQMHR
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P R 281107Z JUN 79
FM AMEMBASSY ISLAMABAD
TO RUEHC/SECSTATE WASHDC PRIORITY 3635
RUFNPS/AMEMBASSY PARIS PRIORITY 3090
INFO RUSBLK/AMEMBASSY KABUL 9378
RUSBKR/AMCONSUL KARACHI 8223
ZEN/AMCONSUL LAHORE
ZEN/AMCONSUL PESHAWAR
RUDTC/AMEMBASSY LONDON 4067
RUSBAE/AMEMBASSY NEW DELHI 990
RUQMHR/AMEMBASSY TEHRAN 5300
RUHQHQA/CINCPAC HONOLULU HI
BT
C O N F I D E N T I A L SECTION 2 OF 2 ISLAMABAD 7335

LIMDIS

CINCPAC FOR POLAD; KA CHI FOR RSS

7. FORLOT SAYS HE CAME TO, AFTER BEING OUT FOR
ABOUT 10 MINUTES, TO FIND ATTACKERS GONE AND
AMBASSADOR NURSING HIS WOUNDS. FORLOT'S EYEGLASSES
WERE DESTROYED, BUT NO DAMAGE HAD BEEN DONE TO CAR.
THEY RETRIEVED KEYS FROM WHERE ASSAILANTS HAD
THROWN THEM AND DROVE INTO ISLAMABAD. FROM RENCH RESIDENCE THEY CALLED P
LACE TO REPORT INCIDENT.
THEY RECEIVED SYMPATHETIC HEARING FROM POLICE AND
PROMISE OF FULL INVESTIGATION. CHIEF OF PROTOCOL
AND PRESIDENT ZIA UL-HAQ ALSO TELEPHONED AMBASSADOR
TO EXPRESS THEIR SHOCK AND DISMAY OVER INCIDENT.

8. NOTWITHSTANDING THESE STATEMENTS FROM GOP, AND PRESS COVERAGE ALLEGING AN ALL-OUT HUNT FOR THE CULPRITS, FORLOT BELIEVES SOMEONE IN GOP PUT THE "GOONS" UP TO THE ATTACK. HE SAYS THE ATTACKERS WERE SHOUTING," WHAT DO YOU FOREIGNERS WANT HERE?" AND "GO AWAY FOREIGNERS," MAKING CLEAR THEIR SELECTIVITY. ALSO, HAVING INCAPACITATED A YOUNG, STRONG MAN (VS. BEING FACED ONLY WITH A WEAK AND OLD ONE, THE "GOONDAS" QUICKLY DISAPPEARED. THEY STOLE NOTHING AND DID NO DAMAGE TO THE AUTOMOBILE. TO FORLOT, THIS CAN ONLY MEAN THEY WERE SENT TO DO EXACTLY WHAT THEY DID IN THE HOPE IT WILL DISCOURAGE OTHER FOREIGNERS FROM INVESTIGATING TOO CLOSELY THE ACTIVITIES AT KAHUTA WHICH HAVE BEEN DESCRIBED IN THE INT (NATIONAL PRESS AS PLAYING AN IMPORTANT PART IN THE GOP'S OVERALL NUCLEAR PROGRAM.

9. FORLOT MENTIONED THAT THE FACILITY AT KAHUTA HAD CHANGED GREATLY SINCE HIS LAST VISIT, IT IS NOW, FOR INSTANCE, IDENTIFIED AS "PAKISTAN ARMY BASE - WORK SHOP; "MOREOVER, THE FACILITY IS SURROUNDED BY MANY BROKEN-DOWN MILITARY VEHICLES, OBVIOUSLY IN NEED OF A WORK SHOP. THE WIRE FENCE, HOWEVER, IS BEING REPLACED BY A HIGH STONE WALL WHICH, EVENTUALLY, WILL MAKE THE FACILITY INVISIBLE FROM THE ROAD.

10. COMMENT: IF THE GOP WANTED TO RESTRICT ACCESS TO THE KAHUTA AREA TO FOREIGNERS OR DIPLOMATS THEY NEED ONLY INCLUDE IT ON THE LIST OF PROSCRIBED AREAS (BALUCHISTAN, RURAL SIND, ETC.). TO BEAT, AND RISK PERMANENT INJURY TO, DIPLOMATS AND CREATE A DIPLOMATIC INCIDENT SEEMS TO US EXTREME. NOR DOES IT SEEM TO US THAT THE GOP WOULD SINGLE OUT THE FRENCH AS LOGICAL CANDIDATES FOR SUCH A BEATING.

--ONE POSSIBLE EXPLANATION IS THAT THE SECURITY SERVICES HAVE BEEN ORDERED TO "BEEFUP" PROTECTION OF THE KAHUTA FACILITY IN LIGHT OF PRESS CONTENTIONS THAT IT IS PART OF THE GOP NUCLEAR PROGRAM. IN DOING SO PERHAPS SOME OVERLY ZEALOUS OFFICER EXCEEDED HIS AUTHORITY AND ORDERED THE INCIDENT.

KING

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INFO RUSBKR/AMCONSUL KARACHI 9172
RUSBQD/AMCONSUL LAHORE 6461
RUSBAE/AMEMBASSY NEW DELHI 9514
RUSBLK/AMEMBASSY KABUL 9035
RUQMHR/AMEMBASSY TEHR 3265
RUQMRA/AMEMBASSY JIDDA 0088
ZEN/AMCONSUL PESHAWAR POUCH
BT
C O N F I D E N T I A L STATE 170237

E.O. 12065GDS 6/26/85 (HORNBLOW, MICHAEL)

TAGS. SREF, PK, AF, PINT

SUBJECT: (C) LAW AND ORDER IN BALUCHISTAN - GROWING CONCERN AND TENSION OVER AFGHANISTAN

REF: (A) ISLAMABAD 7075; (B) KARACHI 3627

1. (C) ENTIRE TEXT

2. APPRECIATED RECEIVING THOUGHTFUL AND INFORMATIVE REPORT ON BALUCHISTAN. IT CONTAINED A NUMBER OF NEW AND PROVACATIVE INSIGHTS ON HOW AFGHAN SITUATION AND REFUGEE INFLUX ARE AFFECTING INTERNAL SITUATION.

3. IN INTEREST OF FEEDBACK SUGGEST THAT FROM OUR PERSPECTIVE WE DO NOT THINK THAT WHETHER BALUCHISTAN "ERUPTS" DEPENDS ON THE "TROUBLEMAKERS" PERCEPTION OF THE STRENGTH OF THE U.S. COMMITMENT TO PAKISTAN. PAST DISTURBANCES IN PROVINCE WERE RESULT ENTIRELY OF LOCAL POLITICAL AND ECONOMIC CONDITIONS AND PERCEIVED U.S. COMMITMENT WAS NOT A FACTOR.

4. BIO NOTE - WE WERE INTERESTED IN STATEMENT (PARA 10) THAT ZIA IS THE SON OF A MAULVI. INR/OIL/B RECENTLY ATTEMPTED TO TRACK THIS DOWN BUT COULD FIND NO SUPPORTING EVIDENCE. OUR FILES INDICATE ZIA WENT TO SECULAR SCHOOLS AND THAT HIS FATHER MOHAMMED AKBAR MAY HAVE BEEN A LOW LEVEL CIVIL SERVANT. WOULD APPRECIATE ANY ADDITIONAL INFORMATION EMBASSY OR CONSTITUENT POSTS HAVE ON THIS BECAUSE INR/OIL/B MAY WRITE A FULLER BIOGRAPHY OF ZIA.

5. AGAIN OUR THANKS FOR THE REPORT. YOUR WASHINGTON READERSHIP REMAINS HIGHLY INTERESTED IN BALUCHISTAN. CHRISTOPH
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TO RUEHC/SECSTATE WASHDC PRIORITY 3710
INFO RUMJGM/AMEMBASSY COLOMBO 1717
RUMJDK/AMEMBASSY DAC 3361
RUSBKR/AMCONSUGUKAR[illegible] 8258
RUSBLK/AMEMBASSY KABUL 9402
RUMJHT/AMEMBASSY KATHMANDU 1727
ZEN/AMCONSUL LAHORE POUCH
RUMJMA/AMEMBASSY MANILA [illegible]
RUSBAE/AMEMBASSY NEW DELHI [illegible]
RUDTC/AMEMBASSY LONDON 4090
RUFNPS/AMEMBASSY PARIS 3108
RUQMHR/AMEMBASSY TEHRAN 5314
BT
C O N F I D E N T I A L

LIMITED OFFICIAL AE ISLAMABAD 7502

MANILA FOR ADB

PARIS ALSO FOR OECD

E.O. 12065: NA
TAGS: EGEN EFIN EAID EAGR PK
SUBJECT: PAKISTAN'S BUDGET FOR PFY 1979/80; STILL MORE OF THE SAME-
ORP 0220

1. IN HIS BUDGET SPEECH JUNE 28, FINANCE MINISTER GHULAM ISHAQ KHAN PRESENTED A PICTURE OF THE PRESENT GOVERNMENT SADDLED AITH SEVEN YEARS OF MISMANAGEMENT OF THE ECONOMY AND STRUGGLING AGAINST THE ODDS TO IMPROVE PAKISTAN'S EXTERNAL AND INTERNAL FINANCIAL POSITION. GHULAM ISHAQ SAID MANY OF THE RIGHT THINGS IN DESCRIBING PAKISTAN'S ECONOMIC PROBLEMS AND PLANNED SOLUTIONS, BUT HIS RHETORIC IS NOT REFLECTED IN THE BUDGET FIGURES. THE BUDGET DOCUMENTS SHOW THAT FOR PFY 1979/80 TOTAL RECEIPTS, BEFORE ALLOWING FOR NEW FISCAL MEASURES, ARE PROJECTED AT RS 41 BILLION (RS 9.9 EQUAL $1) AND EXPENDITURES AT RS 52.1 BILLIONG LEAVING AN UNFINANCED GAP OF RS 11.1 BILLION COMPARED TO REVISED FIGURES FOR LAST YEAR WHEN RECEIPTS OF RS 39.2 BILLION AND EXPENDITURES OF 46.3 BILLION LEFT A DEFICIT OF RS 7.1 BILLION--ALMOST RS 5 BILLION GREATER THAN THE ORIGINALLY ESTIMATED RS 2.3 BILLION DEFICIT. NEW REVENUE MEASURES, ANNOUNCED AT THE TIME OF THE BUDGET, ARE ANNOUNCED AS INTENDED TO INCREASE REVENUES FOR THE CURRENT YEAR BY RS 5.1 BILLION, TO RS 46.1 BILLION AND LOWER THE DEFICIT TO RS 6 BILLION.

2. TO REDUCE THIS GAP TO WHAT IS CONSIDERED A MANAGEABLE RS 3BILLION, GHULAM ISHAQ SAID, AT THE BUDGET PRESS CONFERENCE, THAT THE GOP WILL SEEK AN ADDITIONAL INFLOW OF FOREIGN RESOURCES OF RS 3 BILLION, "FROM ANY SOURCES--CONSORTIUM COUNTRIES, IFI'S OTHER FRIENDLY COUNTRIES OR, IF NECESSARY, FROM THE INTERNATIONAL CAPITAL MARKET". IF IT CAN BE ARRANGED, THIS NEW BORROWING, IN ADDITION TO THE BURDEN OF REFINANCING LAST YEARS'S RS 3 BILLION OF SHORT TERM BORROWING, WOULD FURTHER COMPLICATE PAKISTAN'S ABILITY TO SERVICE ITS TOTAL FOREIGN DEBT IN COMING YEARS.

3. THE REASONS FOR LAST YEAR'S LARGE DEFICIT AND THIS YEAR'S PROJECTED DEFICIT LIE ON BOTH THE EXPENDITURE AND RECEIPTS SIDES OF THE LEDGER. GHULAM ISHAQ ADMITTED THAT PAKISTAN'S DOMESTIC SAVING AND TAX TO GNP RATES WERE AMONG THE LOWEST IN THE WORLD AND YET GOVERNMENT SPENDING IN THE PFY 1979/80 BUDGET WHICH HE SAID HAD BEEN CUT AS MUCH AS POSSIBLE SHOWED ABSOLUTE INCREASES IN A WIDE RANGE OF CATEGORIES EXCEEDING THE AMOUNTS BY WHICH TAXEX SEEM LIKELY TO GROW. TAKING INTO ACCOUNT THE PROJECTED ADDITIONAL RECEIPTS OF RS 8.1 BILLION FROM HOPED FOR ADDITIONAL AID AND NEW TAXES, RECEIPTS ARE PROJECTED TO GROW BY 21.5 PERCENT OVER THE ORIGINALLY BUDGETED FIGURE OF RS. 42.4 BILLION FOR PFY 1978/79 WHILE EXPENDITURES ARE PROJECTED TO INCREASE 22 PERCENT OVER THE RS 42.7 BILLION PROJECTED IN JULY 1978.

4. IN THE ESTIMATED CURRENT YEAR BUDGET, SPENDING INCREASES, OVER ORIGINAL PFY 1978/79 ESTIMATES, ARE MOSTLY IN DEFENSE (UP RS 1.5 BILION TO RS 11.7 BILLION), DEBT SERVICE (UP RS 1.1 BILLION TO RS 7.5 BILLION), SUBSIDIES (UP RS 1.5 BILLION TO RS 3.9 BILLION EVEN DESPITE A RS 1 BILLION REDUCTION IN THE WHEAT SUBSIDY), AND DEVELOPMENT EXPENDITURES FOR "AUTONOMOUS BODIES", MAINLY THE KARACHI STEEL MILL, AND FERTILIZER AND CEMENT PLANTS (UP 1.36 BILLION TO RS 10.9 BILLION). SUBSIDIES, DEBT SERVICE, DEFENSE TOGETHER AITH THE KARACHI STEEL MILL AND PORT QSIM EXERTED PARTICULARLY STRONG UPWARD PRESSURES ON EXPENDITURES AND COMBINED TO ACCOUNT FOR HALF OF ALL DEVELOPMENT AND ORDINARY EXPENDITURES. SOCIAL SECTOR SPENDING ON POPULATION, HEALTH, EDUCATION, RURAL DEVELOPMENT AND SOCIAL WELFARE REMAINS AT ABOUT FIVE PERCNET OF THE TOTAL GOVERNMENT BUDGET, OR LESS THAN 2.5 PERCENT OF TOTAL EXPENDITURES, THE SAME AS LAST YEAR.

5. THE ADDITIONAL REVENUES OF RS 5.1 BILLION ARE TO COME FROM A RATIONALIZATION OF THE INCOME TAX STRUCTURE (UNDER WHICH CERTAIN LOW INCOME TAXPAYERS WILL BENEFIT) AND INCREASES IN THE PRICE OF POWER, RAILROAD FARES AND SEVERAL PRESENTLY SUBSIDIZED ITEMS SUCH AS EDIBLE OIL AND SOME PETROLEUM PRODUCTS. THE AGRICULTURE SECTOR REMAINS ALMOST UNTOUCHED BY THE INTRODUCTION OF ZAKAT AND USHR EXPECTED SOME TIME THIS FISCAL YEAR MAY LATER CHANGE THE SITUATION THOUGH THESE FUNDS WILL NOT DIRECTLY CONNECTED WITH THE BUDGET.

6. THE BUDGET AS A WHOLE, DISAPPOINTING AS IT WILL BE TO DONOR COUNTRIES TO WHOSE CONCERNS EXPRESSED AT THE PARIS CONSORTIUM MEETING IT SCARCELY MAKES A BOW, HAS RECEIVED HARSH CRITICISM FROM POLITICAL PARTIES AND OTHERS WHO CALL IT A "SOULLESS" AND BUREAUCRATIC" BUDGET. PNA SAYS IF ELECTED IT WILL ABOLISH ALL THE NEW TAXES.

7. WE ARE POUCHING COPIES OF BUDGET DOCUMENTS, INCLUDING BUDGET SPEECH AND BUDGET IN BRIEF, A COMPREHENSIVE SUMMARY, TO WASHINGTON. UNDER CERP.

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LIMITED OFFICIAL USE ISLAMABAD 7564

E.O. 12065: NA
TAGS: PINT PGOV SHUM
SUBJECT: (U) TEMPEST OVER WOMEN IN POLITICS

REF: ISLAMABAD 7147

1. ON THE FRINGES OF THE EVOLVING DEBAT ABOUT THE FUTURE POLITICAL SHAPE OF THIS COUNTRY WHICH HAS BEEN OCCASIONED BY THE SETTING OF AN ELECTION DATE, A TEMPTEST APPEARS TO BE BREWING ABOUT THE POLTICIAL ROLE OF WOMEN. WE REPORT THIS AS A FOOTNOTE TO REFTEL REPORT ON THE STATUS OF WOMEN IN PAKISTAN AND AS A COMMENTARY BOTH ON THE GROWING PAINS OF ISLAMICIZATION AND ON A CERTAIN ANXIETY ABOUT THE FUTURE ROLE OF THE BHUTTO WOMEN AS POLITICAL FIGURES.

2. THE ARGUMENT WAS KICKED OFF ON 2 JULY IN REMARKS TO PNA PARTY WORKERS BY MAULANA MUFTI MAHMUD, PRESIDENT OF THE ANTI-BHUTTO PAKISTAN NATIONAL ALLIANCE (PNA) AND HIMSELF BOTH A RELIGIOUS FIGURE AND PRESIDENT OF THE CONSERVATIVE ISLAMIC JAMIAT-UL-ELEMA-E-ISLAM (JUI). AS THEY USUALLY ARE, MUFTI'S REMARKS WERE DIRECTED AGAINST THE PAKISTAN PEOPLES PARTY (PPP) OF FORMER PRIME MINISTER BHUTTO; HE LAID GREAT STRESS ON THE DAMAGE DONE TO THE COUNTRY BY THE LATE PRIME MINISTER, IMPLYING THAT VIRTUALLY EVERY-THING WRONG WITH THE COUNTRY, FROM INFLATION TO LAGGING PRODUCTION, WAS THE RESULT OF THE BHUTTO YEARS.

3. HE THEN TURNED TO THE ELECTIONS SCHEDULED FOR NOVEMBER, OBSERVING THAT A PPP VICTORY WOULD BE IMPOSSIBLE. QUOTING FROM THE KORAN, MUFTI SAID THAT LEADERSHIP OR RULE BY WOMEN HAD BEEN EXPRESSLY RULED OUT BY THE PROPHET; HENCE, THE PPP, LED BY BHUTTO'S WIFE, NUSRAT BHUTTO (OR PRESUMABLY BY HIS DAUGHTER BENAZIR) HAS NO CHANCE TO WIN AN ELECTION. THE PARTY, HE SAID BRUTALLY, IS A "DEAD HORSE ...AND THE DEAD DO NOT RETURN."

3. IN REMARKS INTENDED TO REBUT MUFTI'S "REACTIONARY INTERPRETATION", PUNJAB TEHRIQ-I-ISTIQLAL CHIEF MALIK WAZIR ALI INVITED THE MAULANA'S ATTENTION TO THE 1973 CONSTITUTION OF PAKISTAN, OF WHICH MUFTI, INTER ALIA, IS A SIGNATOR, AND WHICH DOES NOT DEBAR A WOMEN CITIZEN--SO LONG AS SHE IS A MUSLIM--FROM HOLDING ANY OFFICE, INCLUDING THE TOP OFFICES IN THE LAND. IN ADDITION, HE REMINDED MUFTI THAT "ALL ISLAM-LOVING" PARTIES IN PAKISTAN HAD SUPPORTED MISS FATIMA JINNAH'S CANDIDACY FOR THE PRESIDENCY WHEN SHE RAN AGAINST PRESIDENT AYUB KAHN IN 1964.

5. COMMZNT: WE WILL DOOUBTLESS HEAR MORE OF THIS AS THE PRE-ELECTION PERIOD WARMS UP, ESPECIALLY IF--AS THE PPP SORTS THROUGH ITS LEADERSHIP PROBLEMS--THE BHUTTO WOMEN ACTUALLY DO TAKE CHARGE. AMONG CONSERVATIVE ISLAMICS, THE MUFTI MESSAGE ON WOEN WOULD TEND TO CARRY CONSIDERABLE WEIGHT, REGARDLESS OF THE 1973 CONSTITUTION AND THE MORE MODERATE VIEWS OF SUCH URBANE POLITICIANS AS WAZIR ALI. AS A PRACTICAL MATTER, THE ONLY REAL BAR TO OFFICE BY THE BHUTTO WOMEN, ASSUMING THEY ARE NOT DISQUALIFIED AND CAN INDEED GET ELECTED, IS BENAZIR BHUTTO'S AGE. AT 25 SHE IS NOT OLD ENOUGH TO BE PRESIDENT (45), PROVINCIAL GOVERNOR ([illegible], OR SENATOR (30). HOWEVER, SHE IS OLD ENOUGH (25) TO [illegible]T IN ANY ASSEMBLY--NATIONAL OR PROVINCIAL--AND SINCE THERE IS NO QUALIFICATION BEYOND THAT FOR THE PRIME MINISTERSHIP, SHE COULD BECOME PRIME MINISTER BY VIRTUE OF BEING ELECTED LEADER OF THE MAJORITY PARTY OR COALITION.

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C O N F I D E N T I A L SECTION 1 OF 3 ISLAMABAD 7631

E.O. 12065: GDS 07/05/85 (SHERMAN, R) OR-P
TAGS: PINT, PGOV, EGEN, SGEN, SHUM, PK
SUBJ: (C) SUNNI-SHIA DIFFERENCES ON ISLAMIZATION POSE DILEMMA AND/DANGER TO GOP

REF: (A) ISLAMABAD 6083, (B) ISLAMABAD 7201, (C) ISLAMABAD
VCRU

1. (C) ENTIRE TEXT.

2. SUMMARY: GOVERNMENT IS IMPLEMENTING MEASURES FOR TRANSFORMING PAKISTANI SOCIETY INTO A MODEL OF ISLAM (NIZAM-I-ISLAM/NIZAM-I-MUSTAFA) ARE PROMOTING TENSIONS BETWEEN THE MAJORITY SUNNI AND MINORITY SHIA COMMUNITIES IN PAKISTAN. DIFFERENCES ABOUND WITHIN THE SUNNI COMMUNITY ITSELF ON THE SUBJECT, AND THERE IS NO BASIS OF AGREEMENT BETWEEN THE SUNNIS AND THE SHIAS WHO DRAW FROM DIFFERENT INTERPRETATIONS OF THE SHARIAT FOR THEIR AUTHORITY. GOVERNMENT COMMITMENTS TO RESPECT THE RIGHTS OF THE SHIAS ARE BEING UNDERCUT AT EVERY TURN BY GOP PRONUNCIATIONS OF POLICY OR IMPLEMENTATION AND STATEMENTS BY SUNNI LEADERS WHICH ARE SEEN BY THE SHIA COMMUNITY TO BE NOTHING MORE THAN A NEW ASSERTION OF THE MAJORITY'S INTENTION TO ENFORCE A SUNNI VISION OF THE SHARIAT ON ALL MUSLIMS IN THIS SOCIETY.

3. A TEMPORARY MODUS VIVENDI FOSTERED BY THE GOVERNMENT IN MAY (REFTEL A) WAS SHATTERED WITHIN A MONTH BY A STRONG STATEMENT BY PAKISTAN NATIONAL ALLIANCE (PNA) CHIEF (AND SUNNI SPOKESMAN) MAULANA MUFTI MAHMOOD THAT PAKISTANI LAW CANNOT BE BASED ON TWO VERSIONS (SUNNI AND SHIA) OF THE SHARIAT BUT MUST REST ON THE MAJORITY SUNNI/HANAFI INTERPRETATION. THE PNA'S AND MUFTI'S CLOSE ASSOCIATION WITH GENERAL ZIA GAVE THE STATEMENT A RING OF AUTHENTICITY WHICH SET SHIA TEMPERS ON EDGE. MUFTI'S OUTBURST WAS FOLLOWED ON JUNE 24 WITH A GOP PROCLAMATION LAYING OUT

THE FIVE-TIERED STRUCTURE WHICH WILL MANAGE THE COLLECTION AND DISTRIBUTION OF "ZAKAT" AND USHR," THE TWO SOCIAL WELFARE LEVIES WHICH ARE EXTRA-BUDGETARY BUT WHICH ARE CALLED FOR UNDER THE GOVERNMENT'S PLAN FOR NIZAM-I-ISLAM (REFTEL B); FUNDAMENTAL SHIA DIFFERENCES WITH THE PROPOSALS ON "ZAKAT" AND USHR" WERE GIVEN NO EVIDENT CONSIDERATION IN THE GOP PROPOSALS, AND TO SHIAS IT APPEARED THAT THE GOVERNMENT HAD AGAIN TOLD THEM ONE THING AND DONE ANOTHER.

4. THE PROBLEM IS PARTLY COMMUNAL AND PARTLY THE LACK OF COHERENCE WITHIN THE GOVERNMENT. ZIA RUNS A GOVERNMENT WHICH OFTEN PROMISES MORE THAN IT CAN DELIVER, AND THAT IS WHAT IS HAPPENING WITH REGARD TO SHIA- SUNNI PROBLEMS. SUNNIS DOMINATE THE PROCESS AND WILL CONTINUE TO PRESS FOR A HANAFI VERSION OF THE ISLAMIC LIFE; SHIAS WILL CONTINUE TO TRY TO HOLD ZIA AND THE GOVERNMENT TO HIS/ ITS PROMISE OF ACCOMMODATION FOR BOTH SETS OF BELIEFS. BUT THE SHIAS ARE LOSING FAIRHT IN ZIA; THEY ARE PLAYING A DELAYING GAME AND LOOKING TO THE FUTURE WHEN THEY HOPE AN ELECTED GOVERNMENT WILL BE PREPARED TO TAKE A LESS SECTARIAN, MORE SECULAR VIEW OF THE SPECIFICS OF AN ISLAMIC SOCIETY FOR PAKISTAN. THERE IS THE POTENTIAL FOR SUNNI-SHIA VIOLENCE THIS FALL, HOWEVER. END SUMMARY.

5. PRESIDENT ZIA UL-HAQ S MARTIAL LAW ADMINISTRATION (MLA) IS RUNNING INTO INCREASING DIFFICULTIES IN FORMULATING PROPOSALS FOR IMPLEMENTING A NEW ISLAMIC WAY OF LIFE (NIZAM-I-ISLAM) IN PAKISTAN BECAUSE OF SECTARIAN DIFFERENCES BETWEEN THE MAJORITY (75-80 PERCENT) SUNNI AND THE MINORITY (20-25 PERCENT) SHIA COMMUNITIES; AND THE SHIA COMMUNITY IS BEGINNING TO LOSE FAITH IN THE PRESIDENT'S ABILITY TO DELIVER ON HIS PROMISES OF RESPECT FOR ITS TRADITIONS AND BELIEFS. AT STAKE IS WHETHER WAYS CAN REALLY BE FOUND TO ADMINISTER TWO TYPES OF ISLAMIC LAW IN THIS COUNTRY, I.E., CAN THE VISION OF NIZAM-I-ISLAM ACCOMMODATE ISLAMIC VARIATION?, OR WILL THE SUNNI MAJORITY USE THE MOVE TO NIZAM-I-ISLAM IN PAKISTAN TO IMPOSE ITS VARIANT OF SHARIAT TRADITION ON THE SHIA MINORITY WITH ALL THAT CAN MEAN NOT ONLY IN HISTORIC TERMS BUT IN TERMS OF THE FABRIC OF PAKISTANI SOCIETY?

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6. THE TRUCE BETWEEN THE TWO COMMUNITIES WHICH WE REPORTED IN MAY (REFTEL A) WAS, INDEED, TEMPORARY. THE LONG-STANDING SPLIT BETWEEN THE TWO DOMINAT SECTS ON THE SHAPE OF PAKISTAN'S ISLAMIC SOCIETY IS AGAIN AN OPEN WOUND INTO WHICH THE SUNNI-DOMINATED MLA AND POLITICAL PARTIES SEEM TO BE PORUING SALT.

7. ON JUNE 10, THE ANIMOSITY TWOARD SHIAS OF MUCH OF THE POLITICAL SECTOR WAS MOST RECENTLY MANIFESTED IN A PUBLIC STATEMENT BY PAKISTAN NATIONAL ALLIANCE CHIEF MAULANA MUFTI MAHMOOD, WHO SAID THAT PUBLIC LAW IN PAKISTAN MUST BE BASED ON THE SUNNI FIQH-I--HANAFIA AS, "IT IS THE SCHOOL OF THOUGHT SUBSCRIBED TO BY MOST PAKISTANIS." HE WNE T ON TO RULE OUT ANY DUAL SYSTEM OF JURISPRUDENZE (REFTEL A) FOR THE COUNTRY

8. THE STATEMENT -- EMI TING AS IT DID FORM AN IMPORTANT POLITICAL (AND RELIGIO . PARTY LEADER WHO IS CLOSE TO THE MLA --UPSET THE SHIA COMMUNITY. CHARGES OF "DOUBLE-CROSS" AND WORSE WERE HEARD FROM SPOKESMEN OF THAT MINORITY. AGHA MURTAZA POOYA, PUBLISHER OF THE DAILY "MUSLIM," AND A LEADING SHIA MODERATE, PUBLISHED TWO EDITORIALS TAKING EXTREME EXCEPTION TO MUFTI'S STATEMENT POOYA AND OTHERS PREDICTED THAT SUCH RIGID P ROCHIALISM ON THE PART OF THE SUNNIS WOULD LEAD ONLY TO A DISASTROUS END TO THE "DREAM OF A TRULY ISLAMIC SYSTEM-- NIZAM-I-ISLAM" -- TO WHICH PAKISTANIS ASPIRE.

9. MEANWHIL, THE GOVERNMENT OF ZIA UL-HAW ASSUREDTHE SHIAS (AT LEAST PRIVATELY) THAT MUFTI'S STATEMENT WAS NOT REPRESENTATIVE OF GOP POLICY. ZIA TOLD SHIA LEADERS THAT THE QUESTION OF JUDDIVAL SYSTEMS WAS STILL UNDER REVIEW BY THE COMMITTEE APPOINTED DURING THE EARLIER NEGOTIATIONS (REFTEL A) AND THAT NO DECISIONS HAD BEEN MADE. THIS COM-MITMENT, HOWEVER, WAS NOT RTVERFTIDE PUBLICITY BY THE GOP, APPARENTLY OUT OFMUONCERN FOR THE REACTION IN THE SUNNI NFOMMUNITY.

10. ON JUNE 24 THE CAUSE OF ACCOMMODATION SUFFERED ANOTHER APPARENT SET-BACK WHEN THE GOP ANNOUNCED A FORMAL FIVE-TIERED STRUCTURE FOR THE ADMINISTRATION OF THE NEW ISLAMIC SYSTEM OF EXTRA-BUDGETARY LEVIES KNOWN AS "ZAKAT" AND USHR"(REFTEL B); AS ENVISIONED BY THE MLA, THESE DIFFER GREATLY FROM THE SHIA TRADTION, BUT UNDER THE NEWLY-ANNOUNCED PLAN WOULD BE IMPOSED UNIVERSALLY, NOT-WITHSTANDING THE AGREEMENT THE SHIAS FELT THEY HAD FROM THE GOP TO EXPORE THEIR EXCLUSION FROM THE PROGRAM.

11. THE INITIAL SHIA REACTION TO THIS NEW SLAP WAS ANGRY AND EXTREME. MUFTI JAFFER, AN ACKNOWLEDGED NATIONAL LEADER OF THE SHIA COMMUNITY, CALLED ON MEMBERS OF HIS SECT TO WITHDRAW THEIR MONEY FROM BANKS AND ESSENTIALLY TO PREPARE TO EVADE "ZAKAT" AND USHR." THE RESPONSE TO HIS CALL WAS VERY LIMITED, HOWEVER, AND JAFFAR BEGAN TO MODERATE THE SHRILL CRY; ON JULY 2, HE ANNOUNCED THAT SINCE HE NOW HAD BEEN ASSURED THE GOP WOULD DEFER THE DIRECT BANK DEDUCTIONS OF THE TAXES, HE WOULD WITHDRAW HIS CALL TO LIQUIDATE SHIA BANK ACCOUNTS. IN HIS JULY 2 ADDRESS, HOWEVER, JAFFER AGAIN ANNOUNCED HIS COMMUNITY'S DETERMINATION TO RESIST IMPOSITION OF A SUNNI-ORIENTED SOCIO-ECONOMIC SYSTEM. JAFFER ALSO ANNOUNCED THAT HIS RADICAL WING OF THE SHIA COMMUNITY WILL CONTINUE TO BOYCOTT THE ACTIVITIES OF THE SUBCOMMITTEE OF THE COUNCIL ON ISLAMIC IDEOLOGY (CII) WHICH IS CHARGED WITH FINDING SOME WORKABLE COMPROMISE BETWEEN THE SECTS.

12. THE MORE MODERATE SHIA ELEMENTS, WELL REPRESENTED BY POOYA, REACTED IN MORE MEASURED TERMS TO THE JUNE 24 ANNOUNCEMENT. POOYS POINTS OUT PRIVATELY THAT HE AND OTHER LEADERS WERE ASSURED BY THE GOP THAT THE "ZAKAT" AND "USHR" IMPLEMENTATION SCHEME WILL NOT BE IMPOSED SUDDELY AND ARBITRARILY. POOYA TOLD EMBOFF JULY 2 THAT HE IS PERSONALLY CONVINCED THAT THE IMPLEMENTATION OF NIZAM-I-ISLAM CANNOT AND WILL NOT BE EFFECTED IN PAKISTAN BY THE MARTIAL LAW ADMINISTRATION OF ZIA UL-HAQ. INSTEAD, HE SEES THESE "HGIH-MINDED AND ELABORATE PROPOSALS" CONTINUING TO ORIGINATE FROM THE MLA, BUT HE FORESEES NO REAL CHANGES. " NO REAL PROGRESS TOWARD HLE ISLAMIC WAY OF LIFE CAN BE SUCCESSFUL," POOYA SAYS, "UNTIL A POPULARLY ELECTED GOVERNMENT IS IN PLACE." EVEN THEN, HE PREDICTS, GHE TRULY ISLAMIC REPRESENTATIVES WILL BE A SMALL MINORITY IN A NATIONAL ASSEMBLY, AND HE HAS LITTLE CONFIDENCE SUCH A BODY WOULD MOVE VERY FAST IN CREATING THE MUSLIM UTOPIA SPOKEN OF BY ZIA. HE POINTS OUT THAT NO POLITY IN HISTORY HAS EVER FREELY ACCEPTED AN ISLAMIC WAY OF LIFE. WHERE ISLAMIC JURISPRUDENCE PREVAILS IT IS IN COUNTRIES WHERE IT STENETS ARE IMPOSED FROM ABOVE -- USUALLY BY A HERIDITARY RULER (E.G., SAUDI ARABIA, KUWAI, ETC.). WHERE SIMILAR IMPOSITION BY MILITARY REGIMES HAS BEEN TRIED (E.G., IRAQ, LIBYA, ETC.) ONLY A PALE IMITATION OF MIZAMI-I-ISLAM HAS BEEN ACHIEVED. THOSE COSMETIC ELEMENTS OF THE "TRUE NIZAM," POOYA SAYS, ARE NOT ENOUGH.

13. THE TWO-PRONGED REACTION BY THE SHIA COMMUNITY TO DEVELOPMENTS IS SEEN BY MANY AS A WELL-ORCHESTRATED MANEUVER. JAFFER'S RADICAL STANCE AND (SO-FAR UNSUCCESSFUL) ATTEMPTS TO AROUSE THE COMMUNITY IS BALANCED BY POOYA'S MODERATION AND REASON. THE TOTAL EFFECT, HOWEVER, IS TO KEEP THE PRESSURE ON THE MLA OF ZIA UL-HAQ. IF CONTINUED, THE STRATEGY MAY WELL RESULT IN STALEMATING ANY EFFECTIVE IMPLEMENTATION BEFORE PROMISED ELECTIONS IN NOVEMBER. THIS, AS POOYA POINTS OUT, COULD BE MAKING THE BEST OF A BAD SITUATION IN THE SENS (NOT EXPRESSED, BUT IMPLIED) THAT IT IS BETTER TO HAVE NO "NIZAM" THAN TO HAVE A SUNNI-ORIENTED SYSTEM IMPOSED UPON THEM.
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14. THE SUNNI LEADERSHIP, REPRESENTED BY SUCH OUTSPOKEN POLITICIANS AS MUFTI MAHOOOD, IS TRYING -- IN ITS DISORGANIZED FASHION -- TO GET SOME FORM OF "NIZAM" ON THE BOOKS BEFORE ELECTIONS. THEY ARE SEEN TO FEAR THAT THEIR POLITICAL CLOUT IN ANY FREELY-ELECTED GOVERNMENT MAY BE CONSIDERABLY LESS THAN IT IS NOW OR WAS IN THE THEIR "PARTNERSHIP" GOVERNMENT WITH ZIA.

15. COMMENT: POOYA WELL EXPRESSED TO EMBOFF THE BASIC PROBLEM FACED BY SECTARIAN INTERESTS TRYING TO EFFECT (OR PROTECT) THEIR LIFE STYLE ON PAKITAN WHEN HE SAID, "RELIGIOUS PARTIES CANNOT SELL THEIR SECTARIAN BELIEFS WITHOUT ACCEPTING A PUBLIC IMAGE OF SECULARISM." WHILE NO RELIGIOUS PARTIES HAVE SUCCEEDED IN THIS GOAL, THE SHIAS WILL PROBABLY DO BETTER THAN THE SUNNIS WHO ARE POLITICALLY ORGANIZED IN SUCH PARTIES AS THE JAMIAT ISLAMI (JI), THE JAMIAT UL-ULEMA E-PAKISTAN (JUP) AND MUFIT'S JAMIAT-US-ULEMA-E-ISLAM (JUI) BECAUSE THEY HAVE MORE TO LOSE. THE SHIA PHILOSOPHY ALSO LENDS ITSELF BETTER TO THE SECULAR APPROACH IN THIS COUNTRY AS IT PERHAPS DEMANDS LESS OF THE AVERAGE MAN.

16. THE CONFRONTATION WILL CONTINUE. THE SHIAS WILL CONTINUE TO REMIND ZIA OF HIS PROMISES TO ARBITRATE A SOLUTION IN WHICH BOTH SYSTEMS OF JUSTICE CAN BE ACCOMMODATED, AND IN WHICH NEITHER WILL WIN A CLEAR PREDOMINANCE. THE SUNNIS WILL MOUTH THE RIGHTEOUS DEMANDS FOR THEIR BRAND OF NIZAM-I-ISLAM AND KEEP THE PRESSURE ON THE GOVERNMENT TO DELIVER ON ITS PROMISES OF NIZAM-I-ISLAM AS SOON AS POSSIBLE, PREFERABLY BEFORE ELECTIONS.

17. FOR GENERAL ZIA'S GOVERNMENT, THE DILEMMA IS REAL. WITH CENTURIES OF CONFLICT WITH SUNNIS BEHIND THEM, THE SHIAS ARE DUG IN ON WHAT THEY BELIEVE TO BE A FUNDAMENTAL ISSUE; THEY WILL HAND TOUGH AND WILL KEEP THE PRESSURE ON THE MLA TO HONOR ITS COMMITMENT TO A REASONABLE APPROACH TO NIZAM-I-ISLAM. THE SUNNI LEADERS WILL TRY AT EACH TURN TO GET THEIR WAY, AS THE ISLAMICIZATION PROCESS GOES ON. THE EFFECT WILL BE TO SLOW THE PROCESS BUT PROLONG THE AGONY FOR ZIA WHO IS THOUGHT BY MANY NOT REALLY TO UNDERSTAND THE DIMENSIONS OF THE PROBLEM AND BY MANY OTHERS TO BE FOLLOWING A POLICY OF DUPLICITY AIMED AT CONNING THE SHIAS AND ULTIMATELY SATISFYING THE SUNNI MAJORITY. FOR WITHOSE WHO STILL GIVE ZIA THE BENEFIT OF THE DOUBT, THERE IS THE SUSPICION THAT IN THIS AREA, AS IN MANY OTHERS, ZIA IS FALLING PREY TO HIS WELL-KNOWN BABIT OF PROMISING MORE THAN HE CAN DELIGER IN HOPES OF SATISFYING EVERYONE AND THAT SOMETHING WILL ENVENTUALLY WORK OUT. HIS PUBLIC MODERATION ON THE ISSUE HAS GENERAL SUPPORT, BUT THE SNNI LEADERSHIP IS CAPABLE OF AROUSING PASSIONS ON THIS ISSUE.

18. RELATIONS BETWEEN THE COMMUNITIES HAVE A LONG HISTORY OF CONFLICT, IN PAKISTAN AS ELSEWHERE. PASSIONS ARISE GENERALLY IN PAKISTAN DURING RAMAZAN -- TO BEGIN IN AUGUST --- AND TENSIONS BETWEEN SHIAS AND SUNNIS CAN GO VERY HIGH AT THE TIME OF MOHARRUM -- THIS YEAR SCHEDULED FOR THE END OF NOVEMBER, INSHALLAH AND DEPENDING ON THE MOON. TENSIONS WILL RISE IN ANY EVENT WITH THE ONSET OF ELECTIONS AND ELECTIONEERING. SHIAS ARE LOSING FAITH IN ZIA AND THE MLA AS THEIR PROTECTOR; THEY ARE LOOKING TO A DELAYING ACTION AIMED AT HOLDING OFF THE MAJOR DECISIONS ON NIZAM-I-ISLAM IMPLEMENTATION UNTIL AN ELECTED GOVERNMENT IS ON HAND TO DEAL WITH THEM. SUNNIS, HOWEVER, COULD LOSE PATIENCE AND, ASSUMING THE SUNNI-DOMINATED MLA WILL TACITLY BACK THEM, THEY MAY MOVE TO MORE DIRECT ACTION, EVEN VIOLENCE. AND THAT COULD HAVE PROFOUND IMPLICATIONS FOR THE FUTURE OF SUNNI-SHIA RELATIONS, THE FUTURE OF NIZAM-I-ISLAM, THE FUTURE OF THE MLA, AND INDEED, THE FUTURE OF PAKISTAN.

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RUMJDK/AMEMBASSY DACCA 371
RUFMGV/USMISSION GENEVA 1115
RUMJKT/AMEMBASSY KATHMANDU 1733
RUSBKR/AMCONSUL KARACHI 0288
ZEN/AMCONSUL LAHORE
ZEN/AMCONSUL PESHAWAR
RUDTC/AMEMBASSY LONDON 4101
RUEHMO/AMEMBASSY MOSCOW 1398
RUSBAE/AMEMBASSY NEW DELHI 1841
RUQMHR/AMEMBASSY TEHRAN 5326
BT
S E C R E T ISLAMABAD 7638

LIMDIXS

GENEVA FOR US/UNHCR

E.O. 12065: RDS-4 8JULY 1999(HAGERTY, H.G.) OR-P
TAGS: PINS, PBOR, PEPR, SREF, PK, AF
SUBJ: (S) MFA OFFICIALS'S COMMENTS ON DOST VISIT AND PAK-AFGHAN RELATIONS

REFS(ALL NOTAL)(A) ISLAMABAD 7620(B) KABUL 5153
(C) ISLAMABAD 7384(D) PESHAWAR 170

1. (S) ENTIRE TEXT: PROTECT FGI

2. EMBOFFS HAD AN OPPYRTUNITY 7 JULY TO DISCUSS VISIT TO PAKISTAN LAST WEEK OF AFGHAN DEPUTY FOREIGN MINISTER MOHAMMAD DOST WITH AMIR USMAN,MBDA DIRECTOR GENERWW FOR AFGHAN, PERSIAN, AND TURKISH AFYNIRS, WHO PARTICIPAIDE IN THE TALKS. SETTING WAS STAG DINNER FOR FLETCHER PROFESSOR WILLIAM GRIFFITH HOSTED BY CHARG'E.

3. USMAN SIAD THE GOP HAD NOT SET HIGH EXPECTATIONS FOR THE DOST VISIT AND WAS THEREFORE NOT DISAPPOINTED AT ITS RATHER MODEST RESULTS. DOST IS A CAREER OFFICER, NOT A FIGURE OF THE REVOLUTION, AND DISCUSSIONS, WHICH WERE FRIENDLY, NOT ACRIMONIOUS, CONSISTED ESSENTIALLY OF AN EXCHANGE OF VIEWS, WITH A HEAVY EMPHASIS ON THE PROBLEMS POSED BY THE MORE THAN 100,000 AFGHAN REFUGEES WHO HAVE FLED TO PAKISTAN. CLOSEST DOST CAME TO CRITICISM OF GOP ON CHARGE OF INTERFERENCE IN AFGHAN AFFAIRS WAS RATHER GENERALIZED REFERENCE TO "INTERFERENCE FROM THE OUTSIDE."

4. CONVERSATIONS BETWEEN DOST AND PAKISTANI FOREIGN SECRETARY SHAHNAWAZ HAVE "PAVED THE WAY" FOR CONTINUING THE DIALOGUE " AT A HIGHER LEVEL," USMAN SAID, REFERRING TO INVITATION TO VISIT KABUL WHICH DOST CARRIED FOR FOREIGN ADVISOR AGHA SHAHI(WHO WAS IN RABAT DURING THE DOST VISIT HERE) AND TO REITERATION OF TARAKI INVITATION TO PRESIDENT ZIA UL-HAQ. USMAN DID NOT RULE OUT POSSIBILITY OF SHAHI VISIT BEFORE ONSET OF RAMAZAN, ALTHOUGH HE SAID TIMING HAD NOT YET BEEN DISCUSSED WITH FOREIGN ADVISOR.

5. PRINCIPAL TOPIC IN ISLAMABAD DISCUSSIONS WAS AFGHAN REFUGEES -- DOST DUBBED THEM "FUGITIVES"--IN PAKISTAN. THE AFGHAN VISITOR ASKED WHY THE GOP IS UNABLE TO KEEP THE EXILES UNDER CONTROL SO THAT THEY DO NOT ENGAGE IN PROPAGANDA AGAINST THE DRA OR FORAY INTO AFGHANISTAN TO SUPPORT THE REBELS. USING WELL-WORN ARGUMENTS, MGOP SIDE REFERRED TO OBLIGATION ON PART OF FELLOW MUSLIMS TO PROVIDE HUMANITARIAN ASSISTANCE TO REFUGESS AND TO WELL-KNOWN DIFFICULTIES GOP WOULD HAVE N ATTEMPTING TO SEAL OFF BORDER TO PREVENT REFUGEES FROM LEAVING AFGHANISTAN AND ENTERING THE (UNSETTLED) TRIBAL AREAS ON THIS SIDE OF THE BORDER. FONSEC CATEGORICALLY DENIED GOP IS PROVING ARMS OR TRAINING TO REFUGEES/INSURGENTS AND VOLUNTEERED TO PERMIT ANYONE DRA CHOOSES TO DESIGNATE TO VISIT THE REFUGEE CAMPS AND AREAS ON THIS SIDE OF THE BORDER. DOST'S RESPONSE TO THIS WAS NOT REVEALED.

6. GOP LAID BLAME FOR REFUGEE PROBLEM AT DRA DOORSTEP. DRA, FONSEC SAID, HAD CREATED THE CONDITIONS INSIDE AFGHANISTAN WHICH HAD DRIVEN AFGHANS BY THE THOUSANDS TO SEEK REFUGE IN NEIGHBORING PAKISTAN, MANY OF THEM WITH TRIBAL KINFOLK, AND DRA HAS IT WITHIN ITS POWER TO CREATE CONDITIONS WHICH WILL ENCOURAGE/ENABLE EXILES TO RETURPITO AFGHANISTAN. DRA CAN ALSO SEAL THE BORDER TO STEM THE REFUGEE TIDE IF IT CHOOSES, GOP SIDE ADDED, ALTHOUGH DIFFICULTIES FOR DRA WOULD BE SAME AS GOP'S IN THIS REGARD.

7. PROBLEMS OF DRA HARASSMENT OF PAK EMBASSY STAFFERES AND OF DRA PROPAGANDA ATTACKS ON PAKISTAN WERE ALSO RAISED BY FONSEC, WHO REMINDED HIS AFGHAN GUEST RATHER POINTEDLY THAT THESE ARE GAMES TWO CAN PLAY. GOP SPECIFICALLY INVITED AFGHAN ATTENTION TO 1976 AGREEMENT BETWEEN THE TWO COUNTRIES RECIPROCALLY TO ESCHEW HOSTILE PROPAGANDA.

8. ON STAFFERS, USMAN NOTED THAT CONDITIONS UNDER WHICH GOP EMBASSY IN KOBUL HAD BEEN ALLOWED TO INTERVIEW PAK STAFFER WHO DRA CONTENDS IS SEEKING ASYLUM IN AFGHANISTAN WERE TOTALLY UNSATISFACTORY; GOP WILL CONTINUE ITS EFFORTS TO FREE EMPLOYEE WHO, USMAN SAID IN RESPONSE TO QUESTION, IS A PATHAN, PROBABLY A KHATTAK, FROM KOHAT. USMAN ALSO NOTED THAT IN ADDITION TO THE ONE AFGHAN DIPLOMAT WHO HAS ALREADY DEFECTED HERE (REF C), ANOTHER IS IN THE WINGS WHOSE IMMINENT DEFECTION HAS NOT BEEN PUBLICIZED BECAUSE OF THE DOST VISIT AND HE HOPE THAT THE PAK STAFXFR IN KABUL WILL BE LET GO. THE DEFECTIONS IN PAKISTAN, HE ADDED, AR[illegible]REAL, NOT STAGED OR THE RESULT OF KIDNAPPING AS IN KA[illegible].

9. USMAN NOTED THAT ANTI-PAK PROPAGANDA DROPPED OFF THE MOMENT THE DOST VISIT WAS AGREED UPON; IT REMAINS TO BE SEEN IF THE PAUSE WILL CONTINUE NOW THAT DOST HAS RETURNED TO KABUL. (WE WOULD NOTE THAT URDU-LANLSAGE DAILY JANG HERE CARRIED A STORY ON 7 JULY WHICH REPORTED THAT SOME AFGHAN EXILES HAVE SENT EMISSARIES TO FORMER AFGHAN KING ZAHIR SHAH ASKING HIM TO TAKE OVZR COMMAND OF THE EXILE MOVEMENT).

10. IN RESPONSE TO QUERY BY GRIFFITH, USMAN OPINED THAT DRA IS INDEED IN SERIOUS DIFFICULTIES AND THAT MOSCOW WILL DO WHAT IS NECESSARY -- EVENTO REPLACING TARAKI OR SENDING IN TROOPS -- TO PRESERVE SOVIET GAINS (HOWEVER MUCH TROBULE AND BLOODSHED AND TREASURE THEY HAVE ALREADY COST MOSCOW). HE DOES NOT SEE THE REGIME IN KABUL AS SERIOUSLY THREATENED, HOWEVER, AND HE EXPECTS THE REBELLION WILL CONTINUE, RISING AND FALLING IN INTENSITY AND ENTHUSIASM DEPENDING ON WEATHER, HARVEST, MONEY, THE STATE OF ARMORY, AND DRA PRESSURES.

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TO RUEHC/SECSTATE WASHDC PRIORITY 3832
INFO RUQMGU/AMEMBASSY ANKARA 4146
RUMJPG/AMEMBASSY BEIJING 565
RUMJGM/AMEMBASSY COLOMBO 1732
RUMJDK/AMEMBASSY DACCA 3380
RUQMRA/AMEMBASSY JIDDA [illegible]3
RUSRLK/AMEMBASSY [illegible]9
RUMJHT/AMEMBASSY KATH[illegible] J 1741
RUBTC/AMEMBASSY LONDON 4112
RUEHMO/AMEMBASSY MOSCOW 1402
RUSBAE/AMEMBASSY NEW DELHI 1056
RUFNPS/AMEMBASSY PARIS 3122
RUQMHR/AMEMBASSY TEHRAN 5331
RUHQHQA/CINCPAC HONOLULU HI
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S E C R E T SECTION 0 OF 6 ISLAMABAD 7789

CINCPAC FOR POLAD

E.O. 12065: RDS3/4 10 JULY 1999 (HAGERTY, M.G) OR-P
TAGS: PGOV EGEN EFIN PINT PEPR MNUC PK
SUBJECT: (U) PAKISTAN AND ZIA UL-HAQ AT THE TWO-YEAR MARK

REFS: (A) 78 ISLAMABAD 11831 (B) ISLAMABAD 7074 (C) ISLAMABAD 3532
(D) ISLAMABAD 823 (E) ISLAMABAD 4521

1. (S)-ENTIRE TEXT.

2. (SUMMARY): NOW IN THE EARLY DAYS OF HIS THIRD YEAR IN POWER, GENERAL MOHAMMAD ZIA UL-HAQ CAN LOOK BACK WITH PRIDE AT MANY OF HIS ACCOMPLISHMENTS AS CHIEF MARTIAL LAW ADMINISTRATOR AND PRESIDENT; THESE INCLUDE BRINGING THIS COUNTRY OF NEARLY 80 MILLION BACK FROM THE EDGE OF CIVIL WAR, KEEPING THE PEACE (AND HIS COOL) AT HOME AND ABROAD DURING A PERIOD OF MOUNTING UNCERTAINTY IN THE REGION, AND PROVIDING PAKISTAN WITH REASONABLY COMPETENT AND RESPONSIBLE GOVERNMENT. THE COUNTRY IS TROUBLED, HOWEVER, AND AS IT MOVES TOWARD THE ELECTIONS HE HAS PROMISED FOR NOVEMBER AND TO THE PROSPECT THEREAFTER OF TURNOVER TO AN ELECTED GOVERNMENT, THE OVERAL LEGACY OF THE ZIA YEARS IS MIXED. ZIA'S "FAILURES" APPEAR TO US (AND TO MANY) TO OUTWEIGHT HIS "SUCCESSES." THIS REPORT ATTEMPTS TO CATALOG ZIA'S RECORD AT THE TWO-YEAR MARK, TO ASSESS HIS POSITION AND THE NATIONAL MOOD, AND TO LOOK TO THE FUTURE. IT CONCLUDES THAT PAKISTAN'S FUTURE IS NOT BRIGHT AND THAT THE

USUAL UNCERTAINTIES ASSOCIATED WITH ANY ELECTION PERIOD ARE PRESENTLY MAGNIFIED AND COMPOUNDED IN PAKISTAN BY : (A) THIS COUNTRY'S UNEVIABLE ELECTORAL HISTORY TO DATE; (B) WIDESPREAD SUSPICION THAT ELECTIONS WILL IN THE END BE POSTPONED/V NC) LACK OF FAITH IN THE ELECTORAL PROCESS AND FEAR ABOUT WHAT PEARS THE LIKELY RESULT IF THEY ARE HELD; (D) LOOMING ECONOMIC CRISIS WITH A REAL THREAT OF NATIONAL BANKRUPTCY; (E) INCREASING CONCERN AND PARANOIA ABOUT RISING THREATS TO PAKISTAN'S SECURITY; (F) ANXIETY MIXED WITH ANGER AND XENOPHOBIA, ARISING OUT OF PAKISTAN'S CONFRONTATION WITH THE U.S. ITS OLDEST PATRON, OVER NUCLEAR POLICY; AND (G) A GROWING LACK OF FAITH AND CONFIDENCE BY ITS PEOPLE, ITS REGIONAL COMPONENTS, AND ITS POLITY AS A WHOLE IN PAKISTAN'S ABILITY TO MAKE A GO OF IT AS A NATION. WITH THIS AS THE GIVEN, ELECTIONS, EVEN IF HELD AS SCHEDULED, COULD BE AN EMPTY EXERCISE. (END SUMMARY).

3. MOHAMMAD ZIA -UL-HAQ, 54 YEAR OLD CHIEF OF ARMY STAFF, CHIEFMARTIAL LAW ADMINISTOR, HEALTH MINISTER, FOREIGN MINISTER, AND --SINCE AUGUST 1978--PRESIDENT OF PAKISTAN, COMPLETED TWO YEARS IN POWER ON 5 JULY 1979. TWO YEARS IS MUCH LONGER THAN HE AND HIS MILITARY CO-CONSPIRATORS ORIGNALLY INTENDED TO STAY IN OFFICE WHEN THEY DECIDED TO DEPOSE ZULFIKAR ALI BHUTTO, THE LATE FORMER PRIME MINISTER, AS A MEANS OF HEADING OFF CIVIL WAR IN JULY 1977. IF HE HOLDS HIS PROMISE OF ELECTIONS NOW SCHEDULED FOR 17 NOVEMBER, 1979--A SCANT 20 WEEKS AWAY--IT WILL BE HIS AND THEIR LAST SUCH ANNIVERSARY IN POWER AND THIS WILL BE OUR LAST SIX-MONTH UPDATE ON HIS RULE.

4. WE PROPOSE IN THIS ANALYSIS TO LOOK AT PAKISTAN AND AT ZIA'S MARTIAL LAW ADMINISTRATION (MLA) AT THE END OF TWO YEARS IN POWER AND ON THE EVE OF WHAT COULD BE EITHER A TURNOVER OF THAT POWER TO AN ELECTED GOVERNMENT OR A DELIBERATE DECISION TO PROLONG THE LIFE OF THAT MARTIAL LAW ADMINISTRATION FOR ANOTHER PERIOD OF TIME. MUCH OF WHAT THERE IS TO SAY ABOUT ZIA AS A LEADER, AS A POLITICAN, AND AS A MAN HAS BEEN SAID BEFORE IN OUR PREVIOUS SIX-MONTH 'BENCHMARK' REPORTS, AS WELL AS OUR PERIODIC LOOKS AT HIS AGENDA, HIS PROBLEMS, AND HIS GANG. WE INTEND AN INVENTORY A STOCK-TAKING AT THE END OF TWO YEARS, AND THIS WILL, OF COURSE, TOUCH ON BOTH SHORTAGES (MINUSES) AND OVERAGES (PLUSES), FAILURES AND SUCCESSES. WE WILL THEN LOOK BRIEFLY AT HIS POWER BASE AND THE FORCES OPPOSED, AND WE WILL ATTEMPT TO MAKE SOME JUDGEMENTS ABOUT THE FUTURE.
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TO RUEHC/SECSTATE WASHDC PRIORITY 3833
INFO RUQMGU/AMEMBASSY ANKARA 4147
RUMJPG/AMEMBASSY BEIJING 566
RUMJGM/AMEMBASSY COLOMBO 1733
RUMJDK/AMZMBASSY DACCA 3381
RUQMRA/AMEMBASSY JIDDA 804
RUSBLK/AMEMBASSY KABUL 9430
RUMJKT/AMEMBASSY KATHMANDU 1742
RUDTC/AMZMBASSY LONDON 4113
RUEHMO/AMEMBASSY MOSCOW 1403
RUSBAE/AMEMBASSY NEW DELHI 1057
RUFNPS/AMEMBASSY PARIS 3123
RUQMHR/AMEMBASSY TEHRAN 5332
RUHOHQA/CINCPAC HONOLULU HI
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CINCPAC FOR POLAD

5. STOCKTAKING:

(A) THE ZIA YEARS-PLUSES: MOHAMMAD ZIA UL-HAQ, THE SOFT-SPOKEN ARMORED CORPS OFFICER WHO WAS BORN IN JULLUNDUR, ATTENDED U[illegible] ITARY SCHOOLS, ROSE THROUGH THE RANKS THROUGH TWO WARS WITH INDIA AND A TOUR WITH THE JORDANIANS, AND WAS APPOINTED ARMY CHIEF BY PRIME MINISTER BHUTTO BECAUSE HE SEEMED NO THREAT TO CIVILIAN (I.E. BHUTTO'S) RULE, HAS BECOME DURING THESE TWO YEARS IN POWER A CUNNING, CRAFTY, AND GENERALLY LUCKY POLITICIAN. HE HAS MOVED WITH A REFLECTED THE NATIONAL MOOD, ESTABLISHING HIS REGIME ON THE ANTI-BHUTTO TIDE WHICH SWEPT HIM TO POWER, CULTIVATING HIS ARMY BASE, WHICH IS HIS BASIC CONSTITUENCY, AND KEEPING THOSE WHO MIGHT HAVE COALESCED AGAINST HIM FROM DOING SO BY THE PROMISE OF A RETURN TO REPRESENTATIVE GOVERNMENT.
THIS IS NOW CHANGING SOMEWHAT, AS ECONOMIC REALITIES AND THE EXIGENCIES OF ELECTION POLITICS COMBINE TO NARROW HIS SUPPORT AND MAKE HIS JOB MORE DIFFICULT.
WHEN SUMMARIZED, ZIA'S ACCOMPLISHMENTS SOUND IMPRESSIVE, FOR IT CAN FAIRLY BE SAID THAT DURING THE LAST TWO YEARS HE:

--BROUGHT THE COUNTRY BACK FROM THE EDGE OF CIVIL WAR AND RESTORED LAW AND ORDER;
--ATTEMPTED, WITH MIXED SUCCESS, TO UN-DO THE WORST OF THE CHAOS INFLICTED UPON THE NATION'S ECONOMY;
--PRESIDED OVER A PROCESS OF "ACCOUNTABILITY" AIMED AT UNVEILING AND PUNISHING THE WRONGDOING OF THE BHUTTO YEARS, INCLUDING THAT OF THE FORMER PRIME MINISTER HIMSELF;
--SUSTAINED A TACIT, THEN AN ACTUAL COALITION WITH THE PAKISTAN NATIONAL ALLIANCE, DIVIDING HIS OPPONENTS AND ENSURING IT WAS NOT THE ARMY ALONE WHICH WAS AT HIS

SIDE WHEN HE MADE HIS FATEFUL DECISION NOT TO COMMUTE THE BHUTTO DEATH SENTENCE.
--ENDED THE INSURGENCY IN AND ARMY OCCUPATION OF THE PROVINCE OF BALUCHISTAN;
--LAUNCHED A DETERMINED CAMPAIGN TO BUILD A NEW ISLAMIC SOCIETY IN PAKISTAN WHICH HE BELIEVES IS BOTH MORALLY SOUND AND THE POTENTIAL BASIS FOR A NEW NATIONALISM;
--MAINTAINED, WITH SOME SUCCESS, THE PROCESS TOWARD REGIONAL RAPPROACHEMENT IN SOUTH ASIA AND WHEN THE APRIL 1978 REVOLUTION IN KABUL THREATENED TO THROW THAT OVER, KEPT HIS HEAD IN DEALING WITH A NEW AND, TO PAKISTAN DANGEROUS SEUCIRYT SITUATION WITHIN THE REGION AND IN THE AREAS TO THE WEST;
--FREED UP, GENERALLY, THE HUMAN RIGHTS PICTURE IN PAKITAN WHICH--WITH NOTABLE AND TEMPORARY SETBACKS OCCASIONED LARGELY BY PERCEIVED AND REAL THREATS BY BHUTTO SUPPORTERS TO THREATEN LAW AND ORDER--HAS REMOVED PRESS CENSORSHIP, RELEASED ALL THE BHUTTO AND MOST OF HIS OWN POLITICAL PRISONERS;
--SET IN MOTION THE PROCESS FOR HOLDING FRESH ELECTIONS, INCLUDING PREPARATION OF NEW VOTER ROLLS, DELIMITED NEW CONSTITUENCIES, AND --FINNALY--A DATE;
--PROMULGATED A NEW SET OF REGULATIONS/ORDINANCES PROPOSING UP A NEW SYSTEM OF LOCAL BODIES AIMED AT ESTABLISHING DEMOCRACY AT THE LOWEST LEVEL OF AUTHORITY IN THIS COUNTRY;
--AND MAINTAINED THE BROAD OUTLINES OF BHUTTO'S POPULAR FOREIGN POLICY, INCLUDING WARM FRIENDSHIP WITH THE ARABS AND CHINESE, WITHDRAWAL FROM CENTO, ADMISSION TO THE NON-ALIGNED MOVEMENT (NAM), DISENCHANTMENT WITH THE UNITED STATES, ACCOMMODATION WITH THE USSR, AND THE DEVELOPMZNT OF AN INDEPENDENT NUCLEAR OPTION. THESE ARE NO MEAN ACCOMPLISHMENTS FOR A THIRD WORLD LEADER LACKING POLITICAL EXPERIENCE AND LEGITIMACY OVER A TWO-YEAR PERIOD.

(B) THE ZIA YEARS-MINUSES: ZIA'S FAILURES ARE MORE SERIOUS, EVEN IF THEY DO CONSTITUTE A SHORTER LIST, THAN HIS SUCCESSES. MANY OF THESE FAILURES ARE, OF COURSE, A FUNCTION OF THE LIMITED HAND PAKISTAN HAS TO PLAY, WS A POOR THIRD WORLD COUNTRY, REGARDLESS OF WHO IS DEALING OR WHAT THE "GAME". MANY OTHER SHORTCOMINGS, AS HIS APOLOGISTS LIKE TO POINT OUT, ARE THE RESULT OF THE COLOSSAL MESS HE FOUND ON TAKING OFFICE TWO YEARS AGO, AND THERE IS SOME TRUTH IN THAT AS WELL. SOME OF HIS DIFFIUCLTIES REFLECT UNDESIRABLE SIDE-EFFECTS OF POLICIES RECKONED ON THE WHOLE TO BE IN HIS SUCCESS COLUMN. AND MANY OF HIS FAILURES ARE HIS ALONE, THE RESULT OF HIS OWN LIMITATINS AS A LEADER OR THE LIMITATIONS OF HIS TEAM AS MANAGERS, PLANNERS, AND EXECUTIVZS.
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INFO RUQMGU/AMEMBASSY ANKARA 4148
RUMJPG/AMEMBASSY BEIJING 567
RUMJGM/AMEMBASSY COLOMBO 1734
RUMJDK/AMEMBASSY DACCA 3382
RUQMRA/AMEMBASSY JIDDA 805
RUSBLK/AMEMBASSY KABUL 9431
RUMJHT/AMEMBASSY KATHMANDU 1743
RUDTC/AMEMBASSY LONDON 4114
RUEHMO/AMEMBASSY MOSCOW 1404
RUSBAE/AMEMBASSY NEW DELHI 1058
RUFNPS/AMEMBASSY PARIS 3124
RUQMHR/AMEMBASSY TEHRAN 5333
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SUMMARIZED, IT CAN BE FAIRLY SAID THAT HE:
--HAS FAILED TO ESTABLISH THE BASIS FOR STABLE, DEMOCRATIC INSTITUTIONS WHICH COULD PROVIDE THE FRAMEWORK FOR GENUINELY REPRESENTATIVE GOVERNMENT AND STABILITY IN PAKISTAN;
--HAS KEPT PAKISTAN LIVING BEYOND ITS MEANS AND BROUGHT IT TO VERGE OF BANKRUPTCY THROUGH CONTINUED EMPHASIS ON RAPID COMPLETION OF VERY EXPENSIVE, CAPITAL-INTENSIVE PROJECTS (ALTHOUGH LARGELY KEEPING HIS PROMISES NOT BEGIN ANY NEW ONES);
--HAS IGNORED WITH A PLEA FOR MORE TIME, EXASPERATED WARNINGS BY THE DONOR COMMUNITY THAT IT IS TIRED OF FINANCING CONSUMPTION (AND WASTE) RATHER THAN DEVELOPMENT;
--HAS ENCOURAGED, NOT DIMINISHED, THE SENSE OF PUNJABI DOMINANCE AND THE ALIENATION OF INHABITANTS OF NON-PUNJABI AREAS, WITH PERHAPS FUNDAMENTAL IMPACT ON THE NATIONAL FABRIC;
--HAS FAILED TO PROJECT A MOOD OF CONFIDENCE IN THE FUTURE;
--HAS RECKLESSLY PURSUED AN INDEPENDENT NUCLEAR WEAPONS OPTION AT THE COST OF HIS RELATIONSHIP WITH WHAT IS STILL PAKISTAN'S MOST IMPORTANT PATRON, THE UNITED STATES;
--AS A BY-PRODUCT OF THIS, HAS RELEGATED SOME SEGMENTS OF HIS ARMED FORCES TO DEPENDENCE ON EQUIPMENT WHICH IS POORLY MAINTAINED, AND OFTEN OUTDATED.
--BEYOND THIS, MAY HAVE IMPAIRED THE ARMED FORCES ABILITY TO CARRY OUT THEIR PRIMARY DEFENSE MISSIONS BECAUSE OF THEIR INVOLVEMENT IN AND DISTRACTION OF (AND CORRUPTION BY) THEIR MARTIAL LAW DUTIES. (ODRP HAS NOTED, IN THIS REGARD, A MARKED COMPLACENSE AND LACK OF DECISION MAKING EVEN AMONG SENIOR ARMY STAFF OFFICERS. IN ADDITION, MANY OFFICERS APPEAR UNABLE TO PERFORM ROUTINE ACTIONS WITHOUT CLOSE SCRUTINY BY INTELLIGENCE PERSONNEL; SENIOR OFFICERS OF THE NAVY AND AIR FORCE.

NOT AS INVOLVED IN MARTIAL LAW FUNCTIONS, DO NOT APPEAR AFFECTED BY THESE PRESSURES/LIMITATIONS).
--HAS MADE NO SIGNIFICANT IMPACT ON THE BURDEN OF CORRUPTION IN THIS SOCIETY; THE MLA HAS SIMPLY ADDED NEW LAYERS, NEW OPPORTUNITIES FOR CAREER ARMY OFFICERS, NEW PATTERSN, AND NEW NETWORKS TO THE OLD GAME, WITH A RESULTANT RISE IN SYNICISM IN AN ALREADY HEAVILY CYNICAL SOCIETY.
--HAS BEEN UNABLE TO HANDLE THE POLITICAL AND LAW AND ORDER PROBLEMS POSED BY ANGRY AND DISAPPOINTED FOLLOWERS OF THE LATE PRIMZ MINISTER WITHOUT RECOURSE TO MASSIVE--ALBEIT SHORTLIVED--ARRESTS AND DETENTIONS, OCCASIONAL DIRECT AND FREQUENT INDIRECT CENSORSHIP, AND CONTINUING LIMITATIONS ON FREEDOM OF SPEECH, ASSEMBLY, AND ASSOCIATION;
--FAILED IN HIS REPEATED EFFORTS TO BUILD SOME SORT OF POLITICAL UNDERPINNING FOR THE MAL WHICH MIGHT HAVE INCREASED ITS POLITICAL STRENGTH AND WISDOM AND MIGHT SOMEHOW, HAVE PROVIDED AN OPPORTUNITY TO BUILD ALTERNATIVE POLITCAL LEADERSHIP TO TAKE OVER WHEN THE MLA BOWS OUT;
--INTROUCED HARSH, TRADITIONAL PUNISHMENTS, SUCH AS AMPUTATION, STONING, AND FLOGGING, AS PART OF THE OVERALL IMPULSE TO ISLAMICIZE PAKISTAN SOCIETY.
BUT MOST OF ALL, ZIA'S GREATEST FAILURE IN THIS CATALOG IS HIS INABILITY TO SET THE STAGE FOR HIMSELF AND HIS ARMY COLLEAGUES TO GET DOWN OFF THE TIGERS BACK HE HAS BEEN RIDING SINCE 1977. ZIA IS NOT TRUSTED; HE HAS TOO OFTEN SAID ONE THING AND DELIVERED ANOTHER, OR LESS. HE HE HAS BEEN UNABLE TO DISPEL THE SUSPICION, WIDELY HELD IN THIS COUNTRY, THAT HE WILL BE UN-WILLING TO SURRENDER THE REINS OF POWER COME NOVEMBER, AND MANY SUSPECT HIM OF DELIBERATELY SETTING THE STAGE FOR FURTHER POSTPONEMENT OF POLLING. MANY PAKISTANIS EXPECT TO SEE HIM IN OFFICE AT THE END OF 1979 AND ON INTO JULY OF 1980.

6. THIS SUSPICION IS DEEPLY GROUNDED IN PAKISTAN'S POLITICAL EXPERIENCE OF 32 YEARS OF SELF RULE--WHICH HAS RARELY SEEN ANY LEADER WILLINGLY STEP DOWN AND WHICH HAS USUALLY MEANT SOME FORM OF AUTHORITARIWN/MARTIAL LAW RULE AND DEPENDENCE ON THE ARMY TO KEEP THE PLACE TOGETHER AND RUNNING.

7. THIS SUSPICION IS GROUNDED EQULLY IN THE UNCERTAINTY WHICH ATTENDS ALL APECULATION ABOUT WHAT VERDICT MIGHT EMERGE FROM ELECTIONS IN THE FALL OF 1979. THE POLITICAL LEADERSHIP FLOATS ON THE EDGE OF IRRELEVANCE, IN LARGE MEASURE OUT OF TOUCH WITH PEOPLE AND CONCERNED TOO MUCH WITH OFFICE-SEEKING AND FACTIONAL PETTIFOGGERY. THE POLITICAL SYSTEM, AS IT NOW EXISTS SEEMS INCAPABLE OF ORGANIZING A GOVERNING CONSENSUS USING THE GROUND RULES OF THE WESTERN AND PARLIAENTARY DEMOCRATIC PROCESS, AND MOST OF ITS PLAYERS ARE ELITISTS WHO ARE FRANKLY DISTRUSTFULY OF THE WILL OF THE PEOPLE AS EXPRESSED BY UNIVERSAL SUFFERAGE.
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RUNFPS/AMEMBASSY PARIS 3125
RUQMHR/AMEMBASSY TEHRAN 5334
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CINCPAC FOR POLAD

8. IN ADDITION TO SUSPICION ABOUT WHETHER ZIA HIMSELF WILL GIVZ UP POWER AND LACK OF FAITH IN THE SYSTEM TO RPODUCE A COHERENT RESULT, THERE ARE THOSE WHO MAY, IN THE END, OPPOSE ELECTIONS BECAUSE OF THE SPECTER OF THE ONLY RESULT THEY CAN PERCEIVE, I.E. A VICTORY BY A PAKISTAN PEOPLES PARTY(PPP) LED BY THE BHUTTO WOMEN AND SET ON SEEKING REVENGE FOR THE EXECUTION/MURDER OF THEIR LEADER, HUSBAND AND FATHER.

9. IN THE MAIN, THESE ANTI-BHUTTO FORCES ARE PERHAPS BEST EPITOMIZED BY THE CONSERVATIVE ISLAMIC JAMAAT-I-ISLAM (JI), THE MOST POTENT MEMBER OF THE ANTI-BHUTTO PNA AND A STRONG SUPPORTER OF THE MLA BEFORE, DURING, AND EVEN AFTER THE MLA-PNA COALITON OF AUGUST 1978 TO APRIL 1979. FACED WITH THE ALTERNATIVES OF POLITICAL CHAOS, OR WORSE, A PPP VICTORY, THE JI -- WHICH SUPPORTS ZIA'S ISLAMICIZATION, INDEPENDENT POLICY IN FOREIGN AND NUCLEAR AFFAIRS, COMMITMENT TO FREE ENTERPRISE, AND THE ORDERLINESS OF MARTIAL LAW -- IS WILLING TO EXCUSE ZIA HIS LEADERSHIP AND POLICY LAPSES, HIS OCCASIONAL DECEIT, AND HIS ECONOMIC HALF-MEASURES. AND THE NAMAAT PROBABLY POSSESSES THE DISCIPLINED ORGANIZATION AND THE STREET STRENGTH TO PROVOKE DISORDER AND COMPEL RECONSIDERATION OF THE ELECTION DECISION -- WITH OR WITHOUT MLA INSTIGATION. A MARTIAL LAW GOVERNMENT, FACED WITH IMMINENT FINANCIAL COLLAPSE AND CONVINCED THAT ONLY URGENT, FAR-REACHING, AND POLITICALLY UNPALATABLE REFORMS WILL SAVZ THE COUNTRY -- HOWEVER UNLIKELY THIS COMBINATIONMAY BEFORE BETWEEN NOW AND NOVEMBER -- COULD WELCOME (EVEN ENCOURAGE) AN EXCUSE TO POSTPONE ELECTIONS IN ORDER TO APE THE TOUGH DECISIONS NO WEAK COALITON OR EVEN POPULARLY ELECTED PPP GOVERNMENT COULD OR WOULD DO. THIS MIGHT TAKE A MORE RESOLUTE MARTIAL LAW GOVERNMENT THAN THE ONE WE HAVE SEEN OVER THE LAST TWO YEARS, HOWEVER.

10. ZIA'S POWER BASE: WE THOUGHT, SOME MONTHS BACK, THAT ZIA MIGHT FIND HIMSELF IN SOME DANGER ONCE THE MOMENT OF THE BHUTTO EXECUTION PASSED; OUR LOGIC WAS NOT THAT THE PPP WOULD RISE UP TO OVERTHROW HIM BUT RATHER THAT THE ANTI-BHUTTO COALITION OVER WHICH HE PRESIDED FOR THE FIRST 21 MONTHS OF HIS RULE WOULD DISSIPATE ONCE THE ANTI-BHUTTO FEELING WITH WHICH THEY WERE ALL BOUND WAS LOOSENED. WE FELT IT WOULD BE IMPORTANT FOR HIM TO COMMIT HIMSELF TO ELECTIONS PROMPTLY -- AT LEAST COMMIT HIMSELF TO A DATE -- TO KEEP THE FOCUS ON SOMETHING OTHER THAN THE MLA. HE WENT ONE STEP BETTER; HE COMMITTED HIMSELF TO AN ELECTION DATE -- 17 NOVEMBER -- EVEN BEFORE HE ANNOUNCED HIS DECISION ON BHUTTO, AND HE MOVED QUICKLY TO CONTAIN THE POPULAR REACTION TO BHUTTO'S EXECUTION BY DETAINING THOUSANDS OF PPP LEADERS AND WORKERS, AND BY TEMPORARILY "OCCUPYING" RURAL SIND -- BHUTTO'S HOME AREA -- WITH THE ARMY.

11. HE ALSO BEGAN, AS TIME PASSED, TO PERMIT MORE ACTIVE POLITICKING, TO TAKE ON SOME POLITICKING OF HIS OWN, TO LIFT ALL CENSORSHIP, AND TO REITERATE REPEATEDLY HIS COMMITMENT TO STEP DOWN AFTER THE PROMISED NOVEMBER ELECTIONS. THE LOOSENING HAS HAD ITS EFFECT; THE ATMOSPHERE IN WHICH POST-BHUTTO POLITICAL REALIGNMENT AND PRE-ELECTION POSTURING ARE TAKING PLACE IS NOTICEABLY FREE, EVEN ROUGH AND TUMBLE. THE SECURITY FORCES (AND THE STAE OF MIND THEY EPITOMIZE) ARE THERE IN THE WINGS, AND AS ONE JOURNALIST HAS PUT IT, THE IRRESPONSIBLE AND SENSELESS BEATING OF A FOREIGN CORRESPONDENT AND FOREIGN DIPLOMATS WHO GOT TOO CLOSE TO THE NUCLEAR ISSUE, MERELY DEMONSTRATES THE KIND OF POLICE BRUTALITY PAKISTANIS MUST FACE, AT LEAST POTENTIALLY, ALL THE TIME.

12. ZIA'S CALL FOR ELECTIONS TO LOCAL BODIES (E.G. MUNICIPAL AND DISTRICT COMMITTEES) SOMETME BEFORE GENERAL ELECTIONS AS HLED IN NOVEMBER HAS REPRESENTED, PERHAPS, A BIT OF A SLIP ON HIS PART. AS WE HAVE NOTED IN OUR REPORTINTG, THE POLITICANS ARE SUSPICIOUS OF SUCH UNCONTROLLED RECOURSE TO THE VOTERS, AND THEY ARE SUSPICIOUS ALSO OF ZIA'S MOTIVES, FEARING HE MIGHT CANCEL THE ELECTORAL PROCESS ONCE LOCAL BODIES POLLS ARE OVER. ZIA'S AIM IS TO GET DEMOCRACY STARTED AT THE LOWEST LEVEL AND, WE SUSPECT, TO DO A LITTLE TESTING OF THE ELECTORAL WATERS TO SEE HOW WELL THOSE ASSOCIATED WITH THE PPP LEADERSHIP AND MESSAGE FARE. BUT HE HAS ROUSED A HORNET'S NEST OF PROTEST AGAINST THIS ACTION, PUTTING ALL POLITICIANS-- HOWEVER RELEVANT OR IRRELEVANT -- AGAINST HIM. WE SUSPECT, HOWEVER, THAT WHETTHER OR NOT LOCAL BODIES POLLS ARE ACTUALLY HELD IN ADVANCE OF THE GENERAL ELECTIONS-- THE DIE IS NOT CAST -- THE ZIA PROPOSLAS DO RING A RESPONSIVE CHORD WITH ORDINARY VOTERS.

13. ZIA'S DECISION TO WIPE AWAY THE WHEAT SUBSIDY IN ATION SHOP, PRODUCING A SUBSTANTIAL RISE IN THE COST OF ATTA TO ORDINARY PEOPLE, COUPLED WITH INFLATION AND HIS NEW TAXES (SEPTEL) IN WHAT ONE PAPER TERMED THE "LAST MARTIAL LAW BUDGET," MAY ALSO HAVE PRODUCED AN ISSUED ON WHICH ZIA STANDS ALONE WITH THE REST OF THE POLITICAL SPECTRUM ARRAYED AGAINST HIM.
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ZNY SSSSS ZZH
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FM AMEMBASSY ISLAMABAD
TO RUEHC/SECSTATE WASHDC PRIORITY 3836
INFO RUQMGU/AMEMBASSY ANKARA 4149
RHCJPG/AMEMBASY BEKJING 569
RHJGM/AMEMBASSY COLOMBO 1736
RHJDK/AMEMBASSY DACCA 3384
RHMRA/AMEMBASSY JIDDA 806
RUSBLK/AMEMBASSY KABUL 432
RUHJMT/AMEMBASSY MATH DU 1744
RUDTC/AMEMBASSY LONDON 4115
RUEHMO/AMEMBASSY MOSCOW 1405
RUSBAE/AMEMBASSY NEW DELHI 1060
RUFWPS/AMEMBASSY PARIS 3126
RUQMHR/AMEMBASSY TEHRAN 5335
RUHQHQA/CINCPAC HONOLULU HI
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CINCPAC FOR POLAD

4. BUT HIS BASIC POWER BASE REMAINS UNCHANGED. HIS MOST IMPORTANT TITLE IS CHIEF OF ARMY STAFF, AND GIVEN THE TRADITION OF LOYALTY TO THAT OFFICE, THAT IS WHERE HIS REAL POWER STARTS. PRIMUS INTER PARES AT THE START, TWO YEARS AGO, HE HAS GROWN MORE "PRIMUS" AS TIME HAS GONE BY, BUT NEVER SO FAR OUTDISTANCING HIM MILITARY COLLEAGUES AS TO COMPEL THEM TO UNITE AGAINST HIM. IN THE COURSE OF TWO YEARS, HE HAS SHUFFLED -- OR RETIRED -- VIRTUALLY EVERY OTHER GENERAL OFFICER WITH WHOM HE WAS ASSOCIATED UNDER BHUTTO. AIR FORCE AND NAVY CHIEFS, FELLOW-MEMBERS OF THE MILITARY COUNCIL BUT NEVER SERIOUS MLA PLAYERS, HAVE BEEN REPLACED AND THE POSITIONS DOWNGRADED TO THREE STARS. MOST OF THE 1977 CORPS COMMANDES HAVZ BEEN SHUFFLED ABOUT (SOME TO RETIREMENT), AND ALL CORPS COMMANDERS NOW HOLD IMPORTANT CIVILIAN POSTS AS WELL, TWO OF THEM AS FEDERAL MINISTERS, THE OTHER FOUR AS PROVINCIAL GOVERNORS. AND ANOTHER SHIFT MAYBE IMMINENT; LGEN JILANI, NOW DEFENSE SECRETARY, IS REPORTEDLY TICKETED TO BECOME THE NEW CHAIRMAN OF JOINT CHIEFS OF STAFF COMMITTEE, A FOUR-STAR JOB BUT WITH NO EFFECTIVE POWER, AND IT LOOKS AS IF LGEN IQBAL, PERHAPS THE KEY TO ANY MOVE FROM SENIOR RANKS TO UNSEAT ZIA, WILL REMAIN IN HISP POST AS DEPUTY CHIEF OF ARMY STAFF DESPITE ZIA'S REPORTED EFFORTS EARLIER THIS YEAR TO PERSUADE HIM TO MOVE ON TO ANOTHER JOB. IQBAL SEEMS CONTENT WHERE HE IS, AND TO THE BEST OF OUR KNOWLEDGE, HE REMAINS LOYAL TO "THE CHIEF," AS DO THE OTHERS AMONG THE TOP BRASS, INCLUDING LABOR MINISTER, LGEN CHISHTI, A FELLOW JULLUNDURI.

5. RAHIMUDDIN KHAN, CORPS COMMANDER IN QUETTA AND GOVERNOR OF BALUCHISTAN, NOW RELATED TO ZIA BY MARRAIGE, APPEARS TO BE A COMER IN THE INNER CIRCLE AND WAS INCLUDED AT ZIA'S RIGHT AT THE STAG DINNER ZIA GAVE DEPARTING DCM CONSTABLE.

6. OUR CONTACTS BELOW THE TOP BRASS LEVEL ARE TOO LIMITED AND TOO CONSTRICTED BY GOP ACTIVITIES AIMED AT DENYING ACCESS TO BE SURE OF WHAT IS GOING ON THERE; ALL WE CAN SAY IS THAT WE KNOW OF NO MAJOR RUMBLINGS

AGAINST ZIA THERE, ALTHOUGH THERE WERE SOME INDICATORS OF UNHAPPINESS DOWN THROUGH THE RANKS WITH ZIA'S DECISION TO LET BHUTTO HANG, LEADING TO SOME SHUFFLES AT THE TWO-STAR LEVEL. AS BEST WE UNDERSTAND IT, THE ARMY REMAINS BEHIND ZIA, ESPECIALLY IN HIS COMMITMENT TO HOLD ELECTIONS; MOST OF THE ARMY WANTS OUT OF GOVERNANCE AND THE DISTRACTIONS OF MARIAL LAW DUTIES. THAT AT LEAST IS THE CONVZNTIONAL WISDOM HERE IN ISLAMABAD, AND ALTHOUGH THERE ARE GAPS IN OUR ACCESS, WE KNOW OF NO SERIOUS POTENTIAL CONTENDER TO ZIA OR HIS IMMEDIATE SENIOR COLELAGUES WHO ADVOCATES A CONTINUANCE OF ARMY RULE OR AN EARLY REPLACEMENT OF ZIA.

17. ALL ARE REPORTEDLY CONCERNED, HOWEVZR, ABOUT THE IMPACT ON THE ARMY AND ON THEIR OWN CAREERS OF THE ELECTION OF A VENGEFUL PPP TO POWER IN NOVEMBER, AND THERE ARE PRESUMABLY MANY WHO WOULD BE PREPARED TO GO A LONG WAY IN BACKING WHATEVER ACTION ZIA MIGHT TAKE -- SUCH AS BANNING THE PPP OR DISQUALIFYING ITS KEY LEADERSHIP -- TO PROVENT THAT FROM HAPPENING. THEY MIGHT EVEN BE PREPARED TO SEE THE ELECTIONS POSTPONED OR EVZN NULLIFIED AFTER THE EVENT TO THIS END.

18. TO THE BEST OF OUR KNOWLEDGE, ZIA'S NUCLEAR POLICY IS NOT AN ISSUE WHICH DIVIDES HIM FROM THE ARMY, THE SENIOR CIVIL SERVICE OR THE PUBLIC AT LARGE; THE NUCLEAR POLICY WE ACCUSE HIM OF PURSUING PUTS HIM ON THE POPULAR SIDE OF THAT ISSUE, COME WHAT MAY.

19. BEYOND THE MILITARY, ZIA'S POWER BASE IS OBVIOUSLY SHRINKING FROM WHAT IT WAS WHEN IT ENCOMPASSED NEARLY EVERYONE WHO WAS ANTI-BHUTTO. AND IT IS ERODING FAST AS POLITICAIANS AND THE PUBLIC GET READY TO PUT THE BLAME FOR EVZRYTHING WRONG WITH PAKISTAN AT THE MLA'S DOORSTEP; THE CURRENT BHUHAHA ABOUT THE BUDGET (SEPTEL) IS A CASE IN POINT. HIS SUPPORT AMONG THE PUBLIC AT LARGE WOULD DROP CONSIDERABLY WERE HE NOW TO ANNOUNCE FURTHER POSTPONEMENT OF ELECTIONS. A WIDE-RANGING POPULAR WAVE AGAINST HIM ON THAT ISSUE -- IF ACCOMPANIED BY VIOLENCE -- COULD BE THE CATALYST TO FORCE THE ARMY LEADERSHIP TO CHOOSE A SUCCESSOR TO ZIA FROM AMONG THEMSELVES. WE ASSUME FOR NOW THAT ALMOST ANY LIKELY SUCCESSOR -- IQBAL, CHISHTI, JILANI, ABBASI, OR EVEN RAHIMUDDIN-- WOULD PURSUE STRIKINGLY SIMILAR POLICIES AND BE EQUALLY COMMITTED TO TURNING OVZR POWER TO A CIVILIAN GOVZRNMENT AS SOON AS POSSIBLE, AGAIN A BIT OF CONVZNTIAONAL WISDOM BUT ONE ON WHICH THERE IS LITTLE BASIS FOR ALTERNATIVE SPECULATION.

20. THE OPPOSITION: MOST POLITICAL PARTIES, SUCH AS THEY AE, CAN NOW BE RANKED IN THE OPPOSITION, AS ELECTION FEVER BEGINS ITS MAGIC WORK. THE PPP, OF COURSE, IS THE MOST DETERMINEDLY ANTI-MARTIAL LAW, ANTI-MILITARY, AND ANTI-ZIA. A PPP VICTORY AT THE POLLS WOULD PROBABLY COMPEL ZIA TO FLEE THE COUNTRY FOR HIS OWN AND HIS FAMILY'S SAFETY. THE OTHER PATIES,HEVEN THOSE WITH WHOM THERE HAS BEN EXPLICIT ALLIANCE TO THE MLA OR WHICH HAVE AT LEAST TACITLY SUPPORTED ZIA'S EFFORTS, ARE NOW TRYING TO PUT DISTANCE BETWEEN THEMSELVES AND THE MLA. EVEN THE JAMAAT, WHICH HAS DEMANDED JUNKING THE NEW FEDERAL BUDGET, IS NOW SHARPLY CRITICAL OF THE GNERAL.
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[illegible]NFO RUQMGU/AMEMBASSY ANKARA 4149
[illegible]MJPG/AMEMBASSY BEIJING 570
[illegible]MJGM/AMEMBASSY COLOMBO 1737
[illegible]MJDK/AMEMBASSY DACCA 3385
[illegible]RUHRA/AMEMBASSY JIDDA 807
[illegible]USELK/AMEMBASSY KABUL 9433
[illegible]MJKT/AMEMBASSY KATHMANDU 1745
[illegible]DTC/AMEMBASSY LONDON 4115
[illegible]MO/AMEMBASSY MOSCOW 1405
[illegible]USAE/AMEMBASSY NEW DELHI 1061
[illegible]NPS/AMEMBASSY PARIS 3127
[illegible]UHR/AMEMBASSY TEHRAN 5336
[illegible]MQA/CINCPAC HONOLULU HI

[illegible]E C R E T SECTION 6 OF 6 ISLAMABAD 7789

[illegible]INCPAC FOR POLAD

[illegible]. ZIA CONTINUES HIS ENDLESS ROUNDS OF TALKS WITH
[illegible]EADERS, AND AT EACH TURN, THERE IS SPECULATION ABOUT
[illegible]E NEW GRAND DESIGN AIMED AT PUTTING SOMEONE LIKE
[illegible]LI KHAN (OR SOME OTHER) IN THE PRIME MINISTERSHIP OF
[illegible] COALITION GOVERNMENT ELECTED WITH MLA HELP AND
[illegible]OSSIBLY WITH ZIA STAYING ON AS AN ELECTED PRESIDENT--
[illegible]US ACCOMPLISHING HIS AIM OF BRINGING THE ARMY INTO A
[illegible]RE DIRECT RELATIONSHIP WITH THE PRESIDENCY UNDER THE
[illegible]TURE CONSTITUTIONAL FRAMEWORK. THE PPP APART, HOWEVZR,
[illegible]E PARTIES APPEAR NOTABLY INEFFECTIVE, THEIR LEADERS
[illegible]THER MANIPULABLE OR REMOVED FROM THE PEOPLE, OR BOTH.
[illegible]LY A REJUVZNTATED PNA, WITHPOLITICAL PARTICIPATION
[illegible]ROSS THE SPECTRUM, COULD POSE A CHALLENGE TO ZIA
[illegible] THIS TIME, BUT SO LONG AS HE REMAINS PUBLICLY COMMITTED
[illegible] ELECTIONS, AND SO LONG AS ELECTION PREPARATIONS
[illegible]INUE, SUCH AN EFFORT SEEMS UNLIKELY -- EVZN ON THE
[illegible]NGET ISSUE. THE LEFT PARTIES, IN PARTICULAR, REMAIN
[illegible]MENTED, INEFFECTIVE IN THEIR OWN RIGHT BUT POSSIBLE
[illegible] COALITION PARTNERS WITH THE PPP AND OTHER " PROGRESSIVZ"
[illegible]ES.

[illegible]. THE FUTURE: PAKISTAN'S FUTURE DOES NOT LOOK AT
[illegible]L BRIGHT AT THIS POINT, AND TIME IS RUNNING AGAINST THE
[illegible] MARTIAL LAW ADMINISTRATION. IT WOULD, OF COURSE,
[illegible] RUNNING AGAINST ALMOS ANY GOVZRNMENT IN ISLAMABAD,
[illegible]L THE MORE SO AGAINST A GOVERNMNET WITH AN AVOWED
[illegible]RT-TERN PERSPECTIVE AND A WANT OF LEGITIMACY. TIME
[illegible]Y ALSO BE RUNNING OUT FOR ZIA AS THE COALITION OF
[illegible]ERESTS WHICH HAS SUSTAINED HIM SUCCUMBS TO PRE-
[illegible]CTION PRESSURES AND POSTURING AND AS HE BECOMES
[illegible]REASINGLY A SYMBOL FOR ALL THAT IS NOW WRONG WITH
[illegible]KISTAN. IF HE STICKS TO HIS PROMISED ELECTION
[illegible]EDULE, WE SEE NO SPECIFIC THREAT TO HIS ABILITY TO
[illegible]AIN IN POWER LONG ENOUGH TO HOLD ELECTIONS AND TURN
[illegible]ER THE REINS TO AN ELECTED GOVERNMENT -- PROVIDED, OF
[illegible]RSE, CIRCUMSTANCES P[illegible]MIT THE HOLDING OF ELECTIONS
[illegible] THE VOTERS PRODUCE [illegible] COHERENT ENOUGH RESULT TO ENABLE
[illegible]MATION OF A GOVERNE[illegible]T.

[illegible]. THE PROBLEMS PAKISTAN AND ZIA FACE, HOWEVZR, ARE
[illegible]IN:

-- A MAJOR ECONOMIC CRISIS IS LOOMING FOR THE COUNTRY AS A WHOLE; THE IMPATIENCE OF THE INTERNATIONAL DONOR COMMUNITY AND THE DOMESTIC ANGER OVER THE IMPLICATIONS OF THE NEW FEDERAL BUDGET ARE BUT THE OPENING SHOTS AS THE PROBLEMS OF PAKISTAN'Y YEARS OF LIVING BEYOND ITS MEANS COME HOME TO ROOST. AND UNDERLYING THIS SITUATION IS A BIRTH RATE WHICH IS ONE OF THE HIGHEST IN THE WORLD AND A STANDARD OF LIVING WHICH IS ALREADY ONE OF THE LOWEST.

--HA CRICIS IS ALREADY UNDERWAY IN PAKISTAN'S RELATIONSHIP WITH ITS OLDEST PATRON, THE UNITED STATES, OVER THE NUCLEA ISSUE; IT SHOWS NO SIGN OF RESOLUTION OR ABATEMENT AS THE IRRESISTIBLE FORCE OF PAKISTAN'S PROLIFERATION POLICY MEETS HEAD-ON THE INMOVABLE OBJECT OF AMERICAN NON-PROLIFERATION POLICY.

--HREGIONAL INSTABILITY IS MOUNTING, BROUGHT ABOUT BY THE REVOLUTION STILL UNDERWAY IN IRAN, THE REVOLUTION AND COUNTER-REBELLION IN PROGRESS IN AFGHANISTAN, AND THE GROWING UNCERTANTY (AND MOUNTING POWER) OF INDIA. PAKISTAN FACES THIS STUATION ESSENTIALLY ALONE-- OUR 1959 AGREEMENT NOTWITHSTANDING -- BECAUSE OF OUR SINGLE-MINDED PURSUIT OF NON-PROLIFERATION AND THERI EQUALLY SINGLE-MINDED PURSUIT OF A NUCLEAR OPTION WHICH THEY FEEL SOMEHOW WILL EASE THEIR CHRONIC SENSE OF INSECURITY. THIS SENSE OF "ALONENSESS" IS COMPOUNDED BY THE INABILITY TO OBTAIN MODERN ARMS, THE UNREALIABILITY OF ARAB FRIENDS, THE UNCOMPROMISING PRESSURE OF THE SOVIET UNION, AND THE LIMITED SCOPE FOR ADDITIONAL ASSISTANCE AND ASSURANCE FORM THE CHINESE; REPORTS OF ARRIVAL OF NEW 20 MIG-19S NOTWITHSTANDING.

--THERE IS NO SOLUTION IN SIGHT FOR, AND THERE HAS BEEN NO REAL PROGRESS TOWAD, NATIONAL INTEGRATION WITHIN THE COUNTRY. ALTHOUGH REBELLION IS NO LONGER UNDERWAY IN BALUCHISTAN, THE PROVINCE IS AS DISAFFECTED AS EVER AND A PRIME CANDIDATE FOR AFGHAN MEDDLING IF KABUL EVER GETS ITS ACT TOGETHER; THE LONG BHUTTO TRIAL AND AGONY EXACERBATED PUNJABI/ ANTI-PUNJABI TENSIONS IN THE COUNTRY; AND THE HAND OF THE MLA HAS BEEN HEAVILY PUNJABI AND SUNNI IN ITS THRUST, TO THE DISCOMFITURE OF NON-PUNJABIS, SHIAS, AND OTHE NOR -- BEYOND THE ACT OF SCHEDULING ELECTIONS- HAS THERE BEEN ANY REAL PROGRESS TOWARD THE EVOLUTION OF CONSENSUS ABOUT THE FUTUE SHAPE OF REPRESENTATIVE INSTITUTIONS, OF A FEDERAL SYSTEM CAPABLE OF BROKERING REGIONAL INTERESTS AND PRESSURES, AND OF THE KIND OF SENSE OF NATIONAL IDENTITY WHICH GUARANTEE TRANSITION AND LEGITIMACY TO A NEW GOVERNMENT AND GIVE SOME HOPE OF ITS ABILITY TO FUNCTION WITHOUT A NRE ROUND OF INSTABILITY, DISORDER, AND ARMY/ MARTIAL LAW RULE. WITHOUT THIS LAST, ELECTIONS -- EVEN IF HELD AS SCHEDULED AND AS FREE AS ZIA PROMISES --HCOULD BE A VZRY EMPTY AND DESTABILIZING EXERCISE.

24. THIS ASSESSMENT HAS BEEN CLEARED WITH ELEVANT MEMBERS OF THE COUNTRY TEAM.

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ZNY CCCCC ZZH
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TO RUEHC/SECSTATE WASHDC 2205
INFO RUSBAY/AMCONSUL BOMBAY 121
RUMJQM/AMEMBASSY COLOMBO 44
RUSBQD/AMEMAASSY ISLAMABAD 8764
RUSBLK/AMEMBASSY KABUL 1112
RUSBKR/AMCONSUL KARACHI 5402
RUMJHI/AMEMBASSY KATHMANDU 285
RUSBAE/AMEMBASSY NEW DELHI 1809
RUQMHR/AMEMBASSY TEHRAN 1051
RHMOGOA/COMIDEASTFOR
RUHHMA/CINCUSUSARPAC
RUHQHQA/CINCPCAF
RHMMBRA/CINCPACFLT
RUHQHQA/CINCPAC/OSD
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C O N F I D E N T I A L

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LIMITED OFFICIAL USE LAHORE 0932

E.O. 12065: N/A
TAGS: AEMR, OGEN, CGEN
SUBJECT: EMERGENCY AND EVACUATION: ESTIMATED NUMBER OF POTENTIAL EVACUEES AND PRIVATE AMERICANS RESIDING ABROAD

REF: STATE A-2898 OF 9 JUNE 1976

BEGIN LIMITED OFFICIAL USE

PART I. ESTIMATED NUMBER OF POTENTIAL EVACUEES

1. DOD PERSONNEL	0
2. DEPENDENTS OF DOD PERSONNEL	0
3. OTHER USG PERSONNEL	18
4. DEPTNEDENTS OF USG PERSONNEL	38 (A)
5. AMERICAN RESIDENTS	215 (B)
6 AMERICAN TOURISTS:	
3RD QUARTER	25
4TH QUARTER	25
1ST QUARTER	25
2ND QUARTER	25
7. OTHER POTENTIAL EVAC ES	15-(PAKISTANI SOOUSES OF AMCITS)
8. TOTAL	311

(A) BY OCTOBER 1979 A MAJOR PORTION OF THE AID PROGRAM IN PAKISTAN WILL HAVE BEEN PHASED OUT, WITH A CONSQUENT DEDUCTION IN USG PERSONNEL TO 13 AND USG DEPENDENTS TO 25. IF THE GOP NUCLEAR-WEAPONS DEVELOPMENT PROGRAM IS HALTED, GROUNDS WILL BE PROVIDED FOR A RUSUMPTION OF US AID ASSISTANCE AND USG PERSONNEL AND DEPDENTS CAN BE EXPECTED TO RISE. THIS IS UNLIKELY TO HAPPEN DURING 1979-80.

(B) 176 AMERICANS ACTUALLY REGISTERED.

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PART II. PRIVATE AMERICANS RESIDING ABROAD

A. BUSINESSMEN	6
B. EMPLOYEES	4
C. STUDENTS (OVER AGE 18)	5
D. MISSIONARIES	55
E. DEPENDENTS OF ABOVE	40
F. RETIRED AND THEIR DEPENDENTS	0
G. OTHERS	105 (C)
H. TOTAL	215

(C) 75 ARE WIVES AND CHILDREN OF PAKISTANI CITIZENS.
FULLER
BT
#0932

امت شهید پرور می‌توانند کتابهای لانه جاسوسی را علاوه بر «مرکز نشر اسناد لانه جاسوسی» (واقع در تقاطع خیابان آیت‌ا... طالقانی و دکتر مفتح ـ لانه جاسوسی) از مراکز ذیل تهیه نمایند.

۱ ـ بخش فرهنگی و کتابفروشی‌های جهاد دانشگاهی دانشگاههای سراسر کشور.

۲ ـ کتابفروشیهای امیرکبیر وابسته به سازمان تبلیغات اسلامی.

۳ ـ انتشارات چاپخانه وزارت ارشاد اسلامی ـ خیابان آیت‌ا... طالقانی بعد از تقاطع خیابان بهار.

بسم الله الرحمن الرحيم